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Research to Assess the Impact of  
Further Education Funding Changes  
Relating to Incentives for Training  
Unemployed Learners

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RESEARCH



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# Executive summary

This report presents findings from research to assess how colleges and training providers have responded to the funding eligibility changes relating to unemployed and disadvantaged groups in the 2011/12 academic year. This includes reviewing how colleges and training organisations have used the 2.5% of their Adult Skills Budget to build capacity for achieving job outcomes for their learners. The research focuses on provision for unemployed learners claiming Jobseekers Allowance (JSA) and the Employment and Support Allowance Work Related Activity Group (ESA (WRAG)), as well as disadvantaged learners on benefits other than JSA and ESA (WRAG) (referred to as non-work related benefits in this report). The disadvantaged groups are defined for this context as those who have skills below Level 2, plus at least one additional barrier to learning and work, including disability or learning difficulty, English language barriers, offenders and homeless people. We have also included young people under the age of 25 in this category.

The report is based on qualitative in-depth interviews with 51 FE colleges and training organisations, conducted at two points during the academic year 2011/12. 20 of these providers were interviewed twice during the period. The sample was selected to ensure a representation across several different dimensions to enable reasonable generalisations for the whole provider base. The interviews were supported by analysis of ILR data.

## Key findings

### Providers' work with unemployed learners

- Feedback from the interviews demonstrates that by the second half of 2011/12, most providers were taking advantage of the funding changes by offering units or full qualifications to support unemployed people to enter employment and tackle skills-related barriers to employment.
- Given the diversity of the cohort in their existing skills, qualifications and career experience, the wide range of units and qualifications available for funding is important. Overall, many providers welcomed the range of QCF units available for funding and were satisfied that these allow flexibility to meet needs of unemployed learners. However, some providers did highlight specific aspects of provision that were not funded, suggesting that the Skills Funding Agency should keep the funded units list under regular review and consider offering a degree of local discretion for currently non-funded provision.
- In practice we found that providers tend to offer a mix of vocational provision, Skills for Life/Functional Skills, and employability skills provision. Vocational and employability courses may be combined into single programmes, with most providers finding a balance between the two.
- The courses on offer to unemployed learners claiming JSA and ESA (WRAG) are generally short and range in length from around two to eight weeks, and are delivered in small groups. The programmes are generally part-time, not full-time, to

allow these individuals time to search and apply for jobs, and to meet the requirements to claim Jobseekers Allowance.

- All types of provider will tailor their training and approach through an initial assessment of the learner's needs. Where possible, some providers will offer provision designed to fill specific identified job vacancies.
- Providers highlighted the increased importance of short, unitised provision for the unemployed as a result of the funding changes. Responsiveness to unemployed learners and the priority given to this type of provision has risen amongst many providers. Providers perceive there to be a much greater focus on outcomes and the achievement of job outcomes than in previous years.
- To understand and link provision to the local labour market, most providers use a combination of Jobcentre Plus vacancy data, other local LMI sources, research and direct links with employers or recruitment agencies.
- Working with unemployed learners presents particular challenges to all providers, most fundamentally because unemployed learners are a highly diverse group, with very different needs and circumstances. Unemployed learners may face barriers to attendance through caring responsibilities or travel. Low motivation can also affect attendance. Some unemployed clients may also face major additional needs such as drug or alcohol dependency and homelessness.
- Financial barriers also present themselves to providers delivering pre-employment training. Catering for additional support needs, helping learners apply for jobs, monitoring the labour market, and liaising with Jobcentre Plus, all incur costs for providers.

### The relationship with Jobcentre Plus

- Providers' work with Jobcentre Plus increased and developed substantially over the course of the 2011/12 academic year. There are now good examples of positive working relationships between colleges and Jobcentre Plus, sometimes underpinned by Service Level Agreements and regular, scheduled communication. It is important that providers make efforts to ensure that Jobcentre Plus advisers are aware of their offers to unemployed learners, given the wide choice of providers that advisers are able to signpost their clients to.
- More developed working relationships are translating into increased learner referrals for most, but not all, providers. Most colleges have a mix of unemployed learners referred by Jobcentre Plus along with self-referrals.
- By the second half of the 2011/12 academic year, more providers had experienced skills conditionality referrals, with most reporting its regular or increased use. However providers reported variability between Jobcentre offices and individual advisers and quite minimal use in some areas.
- Views were mixed on the effectiveness of mandation under skills conditionality. Positive points include that mandated learners are more likely to attend training,

and may feel a greater impact from training, with specific skills needs which providers can genuinely support. On the other hand, several providers report that they have been surprised at the proportion of learners who do not attend despite being mandated.

- Providers described challenges inherent in working with mandated learners, such as supporting those who have not chosen to undertake learning and may therefore be disengaged or even disruptive. Mandated learners may have higher additional support needs than those who are not mandated resulting in providers incurring higher costs. Many providers were concerned about the administrative burden associated with skills conditionality, which can be more extensive than with other types of learner.

### Adult Skills Budget capacity funding

- The Skills Funding Agency considers 2011/12 to have been a “transitional year”, during which providers were asked “to work with the sector in a different way and with new client groups, particularly unemployed clients”. To support this 2.5% of the Adult Skills Budget was made available “to set up the infrastructure required to deliver job outcomes to unemployed learners”.
- There is evidence of a range of investments by providers, including building better systems and links with Jobcentre Plus, supporting employer engagement, developing new ways to support learners to find and apply for jobs, establishing and developing job outcome destination tracking systems, and new provision and new premises. Many investments have also been made in the creation of additional job roles, for example employment services managers, or tracking officers.
- On balance most of these investments are felt to be sustainable into future years, either because the additional capacity has been developed and therefore requires minimal funding to be sustained, or because the provider will fund continuing activities in future years. There were however various examples of investments that were unlikely to be sustained or where providers cannot yet offer clarity with regard to future sustainability.

### Job Outcome Payments

- Before the policy on Job Outcome Payments was published in April 2012, there was considerable debate and some confusion with providers about how the outcomes would be defined, evidenced and how they could start to prepare for the introduction in 2012/13.
- From April 2012, providers were able to comment on the full policy for Job Outcome Payments. Overall there was a general appreciation amongst providers of all types that recognising a job outcome in positive terms is appropriate, given that ultimately the *raison d'être* for this provision is to increase employment opportunities.
- Overall, training providers were also satisfied with the process of validating job outcomes via learner declaration, rather than employer confirmation, recognising that this will be less onerous and they were supportive of the decision to capture

evidence in this way. However, the level of sophistication of job outcome tracking systems was highly variable across providers, even after the capacity building investments. Several providers also expressed concerns over the ability of their current systems to collect the required information, necessitating further development.

- Several providers accepted the model overall but queried the rationale behind awarding only 10% payment as opposed to the full 20%, arguing that gaining employment should be viewed as a wholly successful outcome.
- A minority of providers felt more negatively towards the proposed funding system, as in its current form it acts less as an incentive to support a learner into employment, but rather as a *post hoc* compensation if that is the outcome. Indeed many providers argued it will not affect the nature of their work with unemployed learners. Furthermore, several providers were concerned at the potential burden that could be created when evidencing job outcomes for non-completing learners.
- The consensus from providers is that the Qualification Success Rate (QSR) and inspection regime should complement the funding system and providers suggest that non-completing learners who move into employment should not count as negative outcomes or affect success rates.

### Disadvantaged learners on non-work related benefits

- Confirmation in August 2011 that those receiving benefits other than JSA and ESA (WRAG) could be eligible for funding if they are unemployed and are working towards employment was welcomed by all types of provider. Providers agree with the overarching principle of supporting those on other benefits into employment and appreciate the ability to use their discretion and take responsibility for decision making about which provision they fund.
- In many instances, this flexibility has enabled providers to continue to engage with learners providers believe would otherwise not have enrolled in learning had they been expected to pay course fees.
- Self-certification by learners who are taking training as a route to employment is working well, as it recognises that more formal evidence is difficult to collect.
- The focus on employment for learners on non-work related benefits can be a greater challenge than for JSA or ESA (WRAG) claimants, with job outcomes more difficult to achieve, especially for non-entry level roles. Providers also emphasised that Minimum Levels of Performance should take into account the difficulties of engaging with more disadvantaged learners.
- Providers have very different priorities and levels of experience of working with disadvantaged groups and the degree to which disadvantaged non-work related benefit claimants are treated as distinct groups varies among providers.
- The extent of barriers for disadvantaged learners should not be underestimated, with many learners requiring additional support from providers to enable them to



both attend training and to eventually enter employment. Currently providers tend to fund this additional support using Additional Learning Support, Community Learning budgets and or from other sources.

- Often unemployed learners will go through a generic framework or programme regardless of the specific benefits they are claiming, but with the flexibility to support those with additional disadvantage.
- Although ESOL and LLDD learners tend to form distinct groups of provision, colleges and large private providers in particular often do not systematically record, on the ILR or otherwise, whether a learner is an ex-offender, homeless, or a single parent and these groups will often join wider cohorts of learners. Voluntary sector providers and some colleges do provide more tailored programmes for these groups, but this is often funded through other routes.

### Lessons learned and points for consideration

- Supporting unemployed learners to find employment through skills interventions will remain an important task for colleges and private training providers, particularly given the current levels of unemployment. The pre-employment training offer has encouraged a greater focus from providers on these groups and on achieving job outcomes through short, unitised provision and full qualifications. Having the same provision and system available in 2012/13 will allow this development to continue and become more embedded in more providers' work.
- Although the priority of pre-employment training has risen in importance for all providers, its relative importance can be low for those that have other priorities such as Apprenticeships, 16-18 provision or other areas. Providers will need to continue to develop and extend their work to greater numbers of unemployed learners, incentivised and supported by the funding and performance management systems.
- Some providers have developed highly sophisticated provision, support and systems for working with unemployed learners, particularly where providers have had previous experience of working with these groups. However, as this area of work remains relatively new for some providers, it will take some time to become more developed and embedded and therefore more opportunities to promote effective practice and share successful approaches would be useful.
- Although generally providers are satisfied with the range of units and qualifications available for funding, some suggest that licences to practice and certain additional aspects of unaccredited provision should be considered for funding in order to give greater local discretion and encourage greater responsiveness.
- As with many policy changes we have found a degree of confusion over the exact funding rules, highlighting the importance of clear, timely, unambiguous guidance from the Skills Funding Agency and a need to respond to providers' specific queries to achieve clarity.
- Although links with Jobcentre Plus have increased substantially and learner referrals are increasing for most providers, there were still areas of confusion and

misunderstanding between a minority of providers and Jobcentre Plus advisers. Often these were being resolved at a local level as the academic year progressed. However, additional guidance and clarification on the availability of provision and how to access it, targeted at DWP and Jobcentre Plus staff would be beneficial.

- It is not yet clear what effects Job Outcome Payments will have on providers' behaviour, but their introduction partially removes one disincentive for working with unemployed learners that are closer to the labour market – namely, that those closer to the labour market may find employment before completing a course. However, as many providers will continue to work to maximise successful completions of courses and qualifications, the impact on behaviour may prove be limited. More specific guidance on how data should be collected and exact rules relating to how to treat part-time and temporary work outcomes should also be provided.
- Currently the Job Outcome Payments do not recognise the level of success a provider achieves at supporting unemployed learners into work where a qualification is completed. However, as Ofsted has suggested it will routinely evaluate providers' data on job outcomes for JSA and ESA (WRAG) benefit claimants, this is likely to act as an additional incentive to record this data and improve outcomes.
- Although a number of providers suggested that Job Outcome Payments should account for the quality, sustainability and training associated with a job outcome, we suggest this would overly complicate the funding system and may be better addressed through, for example, Ofsted.
- Work with disadvantaged learners invariably involves catering for additional support and other needs, as well as the learning intervention itself. Informal, unaccredited learning was also highlighted as important as a way to re-engage disadvantaged groups. Currently these needs are funded outside of the Adult Skills Budget, and the review of the Community Learning Budget should provide greater scope for locally determined provision which appears to satisfy most providers' needs.
- The requirement for learners to certify they are undertaking training as a route to employment may preclude those who are unlikely to work in the foreseeable future from accessing provision. Currently funding for those unlikely to work may be sourced through other routes, but ways to recognise non-employment related, yet nevertheless economically valuable, training through the Adult Skills Budget could be considered, particularly for the most disadvantaged.

# 1 Introduction

## Project background

In November 2010 the Coalition Government published *Skills for Sustainable Growth* and *Investing in Skills for Sustainable Growth*, which have guided its reform of adult learning and skills of the course of this Parliament. The policies are based on the principles of fairness, responsibility and freedom, and introduced a new simplified funding system from the academic year 2011/12 designed to give colleges and training organisations greater freedom and flexibility to respond to need. This takes place in the context of reduced public sector spending following the 2010 Spending Review. Therefore the Government's aim is to target investment where it can have the greatest impact, such as by focusing on those with low skills and young adults and pre-employment training for the unemployed.

As part of this prioritisation, full government funding for both QCF units and full qualifications is provided for relevant skills training for learners who are unemployed and receiving Job Seekers Allowance (JSA) or Employment and Support Allowance in the Work Related Activity Group.<sup>1</sup> To meet local demand for skills, FE providers have also been given some local discretion to provide fully subsidised courses for unemployed people on a wider range of benefits, providing the training is to help them enter employment.

*Investing in Skills for Sustainable Growth* discussed the intention to use outcome incentive payments for job outcomes. Following this, from August 2011 providers were given freedom to use 2.5 per cent of their 2011/12 Adult Skills Budget allocations to build capacity for working with unemployed people and to prepare for the introduction of job outcome funding in future years. Examples of ways in which providers utilised the funding that was made available to them included: developing resources/processes to improve engagement with Jobcentre Plus or employers; developing destination tracking and reporting methods; additional support to help people find and apply for jobs; renting of delivery premises close to Jobcentre Plus, and additional teaching capacity.<sup>2</sup> In April 2012 the Skills Funding Agency also confirmed that job outcome payments will be piloted in 2012/13 using the existing funding models with ten per cent job outcome payment where an eligible learner leaves and enters work without achievement of the learning aim.<sup>3</sup>

## Project scope, aims and objectives

The overall aim of this project was to assess how colleges and training providers are responding to the funding eligibility changes in the 2011/12 academic year, specifically regarding providing training for unemployed learners claiming Jobseekers Allowance (JSA) and the Employment and Support Allowance Work Related Activity Group (ESA (WRAG))

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<sup>1</sup> Skills Funding Agency, *2011/12 Learner Eligibility and Contribution Rules*, Version 2.1, (August 2011), available online at [http://readingroom.lsc.gov.uk/SFA/LearnerEligibilityandContributionRules\\_2011\\_12\\_12Aug2011\\_June\\_revision\\_V2.1.pdf](http://readingroom.lsc.gov.uk/SFA/LearnerEligibilityandContributionRules_2011_12_12Aug2011_June_revision_V2.1.pdf) (accessed November 2011).

<sup>2</sup> Skills Funding Agency, *Adult Skills Budget Funding Requirements 2011/12*, Version 1.1, p. 22.

<sup>3</sup> Skills Funding Agency, *Funding Rules 2012/13*, Version 1, (April 2012).

and disadvantaged groups claiming benefits other than JSA and ESA (WRAG)). For the group on benefits other than JSA and ESA (WRAG), we have focused in particular on those who have skills below Level 2, plus at least one additional barrier to learning and work, including disability or learning difficulty, English language barriers, offenders, homeless people and or being under 25. We also aim to describe how providers have used the 2.5 per cent of their Adult Skills Budget to develop their ability to work with the unemployed and develop an understanding of the impact of changes to incentivise providers to train unemployed people

Our scope is at the provider level, rather than focusing in detail on individuals. However, through examining the provider experience, it is possible to understand changes that affect the experiences of learners.

## Summary of method

This report is based primarily on qualitative research with providers, supplemented by a literature review and analysis of ILR data. Our first step was to review relevant literature in order to place the study in its relevant context. In total we conducted 71 in-depth qualitative interviews with institutional leaders from colleges and training organisations. In order to understand whether and how the situation was developing across the academic year, the interviews took place over two waves, the first from November 2011 to January 2012 included 26 colleges and 9 training organisations. The second wave of interviews took place from May to July 2012 and included 20 follow up interviews with providers from the first wave and a further 16 interviews with providers that were not included in the first wave. The organisations interviewed were selected and monitored to achieve a broad spread of types of organisation, based on analysis of their overall learner numbers and the proportion of unemployed learner numbers as shown by records in the ILR.

The first and second wave interviews are summarised in the table below.

Wave	Total number of interviews	Breakdown
1	35	26 colleges 5 training organisations 4 voluntary or charity organisations
2	36	15 follow up interviews with colleges 3 follow up interviews with training organisations 2 follow up interviews with voluntary or charity organisations 11 new interviews with colleges 1 new interview with a specialist colleges 4 new interviews with training organisations

## **This report**

The remainder of this report is structured as follows: Chapter 2 discusses providers' work with unemployed people claiming JSA and ESA (WRAG), including their relationship with Jobcentre Plus; Chapter 3 outlines providers' use of capacity funding to develop their work with unemployed learners; Chapter 4 addresses provider attitudes to the system of Job Outcome Payments proposed in April 2012; Chapter 5 discusses feedback from providers on disadvantaged learners on non-work related benefits, with particular discussion of ESOL and LLDD learners, single parents, offenders, homeless people and young people under the age of 25; finally, Chapter 6 discusses some conclusions and points for consideration for BIS. Quotations from interviews with providers are included throughout the report to illustrate points made in the text.

## 2. Providers' work with unemployed learners

### Pre-employment training for the unemployed

To attempt to respond to the diverse skills needs of unemployed learners, all further education colleges and training organisations registered on the Skills Funding Agency's Register of Training Organisations are eligible to offer Qualification and Credit Framework (QCF) units as part of pre-employment training for the unemployed in 2011/12.<sup>4</sup> The units represent a wide range of types of provision, reflecting the different needs of local labour markets and individuals looking for work. The Skills Funding Agency stated that units were not covered by the Qualification Success Rates methodology and therefore for 2011/12 success rates of unemployed learners on units were not expected to impact on future funding, so as not to act as a disincentive to work with unemployed cohorts of learners.<sup>5</sup> The flexibilities in the funded units also extend to the ability to offer Awards and larger qualifications such as Certificates and Diplomas where appropriate.

Feedback from the interviews demonstrates that providers are taking advantage of the flexibilities by offering units and full qualifications to support unemployed people to enter employment and tackle any skills-related barriers to employment. Given the diversity of the cohort in existing skills, qualifications and career experience, the wide range of units available for funding is important.

In practice we found that providers tend to offer a mix of vocational provision, Skills for Life/Functional Skills, and employability skills provision. Employability provision aims to address skills to support someone to enter work in general, such as self-presentation, communication and CV writing. We found a large range of vocational provision being offered by providers, with subjects and sectors varying among providers depending on the local labour market.

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<sup>4</sup> Skills Funding Agency, *Unit Delivery*, <http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/unitdelivery/>

<sup>5</sup> Skills Funding Agency, Guidance Note 7, April 2011, <http://readingroom.lsc.gov.uk/SFA/GN7-final-11april2011.pdf>

**Table 1: Common types of pre-employment training for unemployed learners**

<b>Most common types of provision</b>	<b>Purpose</b>	<b>Examples</b>
Generic employability skills	Address practical barriers to employment, including skills, behaviours and experience	CV writing, interview practice, communication, self presentation, job searching, work experience.
Functional skills	Address basic mathematics, English and IT skills. These can support employability and job searching.	Foundation level mathematics, IT, English
Vocational provision	Train or re-train for a particular vocation or career, informed by local labour market, specific vacancies and learner choice/aptitude.	Wide range of vocational examples: Retail, Health and Social Care, Construction, Bus Driving, Hospitality, Horticulture, Call Centre Work, Customer Service, etc. Varying levels, depending on learner. May be delivered in conjunction with employability or functional skills.

Vocational and employability courses may be combined into single programmes, with most providers finding a balance between the two. Although not funded through pre-employment training, several colleges were also supporting their learners to obtain certain vocational licences to practice, such as basic food hygiene or the construction CSCS card. The level of provision is potentially up to Level 4, but is typically Foundation Level, Level 1 and Level 2 units, as it tends to be those with lower level skills needs who are referred to learning providers from Jobcentre Plus.

The courses on offer to unemployed learners on JSA and ESA (WRAG) are generally short and range in length from around two to eight weeks. The programmes are generally part-time, not full-time, to allow these individuals time to search and apply for jobs, and to meet the requirements to claim Jobseekers Allowance. Most courses are delivered in small groups, which is necessitated by a comparatively low funding rate per learner.

*All these vocationally linked programmes are in the daytime. As I said, we try to run them over two or three days, because we recognise the need to be looking for work and those sorts of things.... They would only be for part of the day, they wouldn't be for a full day, as well. We do other programmes that are below Level 2 that are evening. So we offer mornings, we offer afternoons, we offer evenings. We offer them off-site as well for people who don't have to come to the college.*

FE college

In one example, a college has found that a generic five-week pre-employment programme has proved popular with unemployed learners. This includes a suite of short courses designed to improve employability, including IT, CV building, interview skills, job research, as well as certificates in first aid, food hygiene and health and safety. Several providers have been able to include work placements or work experience into their offer. Many colleges have been assisting learners into employment through sector based work academies offering up to six weeks of activity, including relevant sector focused pre-employment training, a work experience placement combined with a guaranteed job interview.

As one FE college pointed out, it is difficult to predict how many unemployed learners will be referred through Jobcentre Plus, meaning providers need to retain a high degree of flexibility. One college offers a short two week employability “*Skills Booster*” programme for unemployed learners to take, before they start on a slightly longer vocational programme. As well as benefiting the learner, this also gives the college an opportunity to plan its vocational provision more effectively. This means a learner can start a Skills Booster programme almost immediately on referral, and then avoid a gap when starting vocational provision. By the time of their second interview, this system was working well, even if the college has had to monitor whether some learners are over qualified for the Skills Booster programme.

There is more diversity among private and voluntary sector providers, depending on the size of the provider. Smaller providers’ offers may be more targeted on particular disadvantaged groups, while large private providers can offer a similarly diverse range of employability and vocational oriented provision as a college.

One smaller private provider has a mission directly focused on achieving employment outcomes. They offer employability skill courses aimed at employment in specific sectors, such as Health and Social Care, and tailor these to suit the requirements of employers. Examples include “an introduction to dementia”, or an “introduction to risk assessment”. Typically these are short two week courses which are linked to specific job vacancies but can range from anything between five days and five weeks. The delivery medium and location is flexible and usually linked to job location - the provider delivers at the employer’s premises or at a community centre nearby.

All types of provider will tailor their training and approach through an initial assessment of the learner’s needs, including assessing needs for basic skills and Additional Learner Support, using standard assessment tools. However, the quality and level of assessment was difficult to establish through the interviews. When unemployed learners are referred from Jobcentre Plus, providers will generally have access to the skills needs assessment of the Jobcentre Plus adviser. However, both private providers and colleges will still conduct their own learner skills assessments in addition.

*At entry we meet all learners and have an interview process which is rigorous. There is a Basic Skills Assessment and we tell the tutors the scores. If the learner does not meet the key skills requirement then they do an internal course. We don’t turn people away.*

FE college



Where possible, providers will offer provision designed to fill specific identified job vacancies. There were examples of both colleges and private providers delivering employability and vocational provision tailored to suit specific employers and jobs, as well as general programmes for individuals who do not have a specific job vacancy in mind.

A large private provider consciously uses a “job pull” model, to identify specific vacancies and link these to suitable learners, rather than putting unemployed people through generic training programmes. This provider also explained that the vacancies must fit the lower skills and employment experience of likely learner profiles.

*In times of higher unemployment we will tend to focus on trying to find jobs and then matching those with unemployed clients, who either do have suitable skills or could have suitable skills and attitude. ... We'll go to, [an employer] and agree... they will guarantee interviews for 50 people and they will employ 30. So we will then go to our unemployed client pool, assess which candidates are most likely to have a chance of getting those jobs, provide whatever the training and up skilling that necessary is, and then bring the two together. Generally that's quite successful. That's really what we mean by job pull as opposed to client push.*

Training organisation

This is in contrast to prioritising the learner's first preference for a job role on the rationale that it is easier to find a new job once one is in work of some kind. Once a learner has entered work, the provider continues to supply in-work support, which also includes job search support, with the support of the employer, to achieve further progression in the labour market.

## Delivery models

Several providers mentioned aspirations to or experience of linking pre-employment training with progression on to other funded training once an individual has entered employment. Various providers are recruiting unemployed learners directly on to Apprenticeship programmes, thereby achieving employment, while others are progressing learners from pre-employment training programmes to Apprenticeships.

There were various examples of providers working together to improve delivery or build capacity. For example, a large training organisation subcontracts some of its work to a college. Another college works with a private employment provider to both source employers and vacancies and deliver training. The private provider is specialised for pre-employment provision, meaning it can work more flexibly than the college, has better links with employers and can deliver at a lower cost.

Colleges also found advantages in working with the voluntary sector to build better community links, tackling the needs of certain disadvantaged groups in the community, such as offenders and the homeless, or offering work experience. The voluntary providers bring value in their links with the community and expertise in working with disadvantaged groups.

Providers are working with numerous other support organisations beyond Jobcentre Plus, including voluntary and community agencies with specialist functions. Several of these

also have access to alternative funds to support learner needs, for example ethnic minority community centres supporting ESOL needs, the Probation Service to support offenders, or Local Authority Children Centres to support young parents. Several colleges also are extending their links with voluntary sector providers to better to embed their work within the community – for example one college was pooling its Personal and Community Development Learning funding with the local authority to support capacity building in the voluntary sector.

Several colleges explained that they liaise closely with local strategic partnerships (including Local Enterprise Partnerships) and Local Authorities. In one case the local strategic partnership has a focus on helping young unemployed people into work placements. In some areas Local Authorities are also important providers of training and support to unemployed people. Local strategic partnerships also provide a further means by which providers can engage with Jobcentre Plus.

From our interviews there were examples of at least six providers working with Jobcentre Plus to link with employers to create sector based work academies in order to facilitate work opportunities with learning. These benefit the learner by incorporating structured work experience opportunities alongside training, and should result in a guaranteed interview. Jobcentres provide the referrals while the providers lead the training, a model providers feel is effective. One college cited that of 30 learners involved in a recent sector based work academy, 20 had achieved a job, 6 further training and 4 had started an Apprenticeship. Another college had found three out of five of its learners on a call centre delivery sector based work academy had moved into work.

### Changes across the academic year

There were no significant differences between the approaches of the providers interviewed later in the academic year compared to those interviewed earlier. For most providers, there has not been a change in the nature of provision offered between the interview points, although a minority felt they had become more responsive over the period.

*In terms of the customers, the courses themselves, as I said there hasn't been an enormous change in the range of programmes that we offer, I think we're probably a bit more responsive than we were six months ago.*

FE college

Other providers have extended their curriculum offer since their first interview, for example into new vocational areas, or had raised the scale of delivery. One college has begun offering short courses in construction to reflect the needs of Jobcentre Plus customers within its community. The same college has seen an increasing demand for employability skills training over the course of the academic year. Other providers had developed new subject areas and types of provision, for example with customised call centre provision.

Another college had been using ESF funding to support its work with unemployed learners, but by the second wave interview had found it had been unsuccessful at securing the contract for next academic year. This has important consequences for their provision as a major part of the college's work with unemployed learners has been lost. This college next year will therefore be delivering solely through the Adult Skills Budget, and will lose the additional flexibility that the ESF contract afforded to offer non-accredited provision:

*If that remains unsuccessful, which I have no reason to believe otherwise, then we will be purely delivering based on our Adult Skills Budget. The problem with that is of course it's all qualification driven, or at least unit driven...we don't have the pre-employment, non-qualification-based route for us.*

FE college

A voluntary sector consortium provider explained that many of its charity based delivery partners were going out of business or withdrawing from offering training, necessitating a changed delivery model. The lead consortium provider has been expanding its work to cover what was previously delivered by smaller charities, opening delivery centres in new locations. The smaller charity sector providers have gone out of business because they were reliant on multiple sources of funding that have been reduced. Other charities that had previously offered skill provision have stopped this to focus on their core business.

## Flexibility of funded units and qualifications

Overall, many providers welcomed the range of QCF units and qualifications available for funding (listed on the Learning Aims Reference Application, LARA) and were satisfied that the provision allows flexibility to meet the needs of unemployed learners. Given their diverse needs, the flexibility of the funding system is very important for engaging with unemployed learners, and providers emphasised that the flexibilities should be maintained into future years.

However, several providers did raise concerns about the level of flexibility possible within the current available provision. A minority of providers reported having been prevented from offering their first choice of provision because it did not feature on the fundable LARA database. Examples include logistics related provision and fork-lift truck driving, and door supervisor/security courses. Where providers have been used to delivering very specific programmes to unemployed learners, this may need to change if the programmes are not funded. A college found that an American confidence and employability skills programme it had previously used with success was not funded. It therefore chose to “recreate” a similar programme from the units that were available. The college’s view on this was that “we’re not doing too badly, but it’s not the same package.”

*So we can't now, because we're restricted by LARA, we can't necessarily offer what employers want. We can try and dress it up and we can try and do the unitisation, but you need to be very...creative.*

FE college

Where providers think that provision or support not funded through the Adult Skills Budget will be useful, several have opted to fund it themselves or through the capacity funding, ESF funding, or other funding. For example, one college was funding the construction CSCS card through its community learning budget, because it felt it would make the learners more employable in that industry.

Other specific areas that are currently unfunded were highlighted by providers. These include non-training aspects of provision, such as mentoring, “after care” and other “wrap-

around” support. Several providers mentioned the importance of mentoring and maintaining contact with the learner and employer post employment entry, to support a more sustainable job outcome.

A minority of providers feel strongly that prescribed short units will never be flexible enough for the diverse needs of unemployed people, particularly those that only need a brief intervention to prepare them for work, and that therefore unaccredited provision should be fundable. One college in particular felt there should be flexibility built into the system to offer very short non-unit based pre-employment training, potentially on a one-to-one basis, *“rather than artificially delivering 30 hours of the unit that’s unnecessary.”* This college felt that for learners closer to the labour market meeting the evidence requirements even of a short unit may not ultimately be central to gaining employment. Finding the right balance between local discretion and a robust funding system is vital here.

Another college felt that short courses were not appropriate for all unemployed learners, and that a focus on short term job outcomes could mean neglecting some of the core skills needed for more sustainable employment. Although longer term courses are fundable under the Adult Skills Budget for those who lack prior qualifications, this can be complicated by benefits rules around the amount of full-time learning an individual can undertake.

Several providers expressed frustration at the low funding rates for unemployed learners, which place restrictions on flexibility of class sizes and incur risks on providers when learners do not attend.

## Level of engagement

The scale of provision varied across providers in the study, from a few dozen unemployed learners to thousands. We asked providers to complete a short pro-forma to capture information in relation to data collection and predicted learner numbers for those who are unemployed, aged 19 and above, and in receipt of state benefits in the 2011/12 academic year. A total of 30 providers completed a pro-forma, of which there were 22 FE colleges, six private training organisations and two charitable or third sector providers.

Overall, 26 out of 30 providers captured data on the number of unemployed learners in receipt of JSA or ESA (WRAG) accessing employment focused training, with private training organisations less likely to collect the data. Most providers (28) were able to predict how many unemployed learners they were expecting to fund in 2011/12. These predictions ranged from 70 to 3,242, averaging at 815 learners. Analysis of these figures by provider type indicates that, as we might expect, FE colleges predict that they will fund a higher number of these types of learners than third sector providers, or private training organisations, with average predictions of 1059, 275 and 182 learners, respectively.

Examining Individualised Learner Record (ILR) data for 2009/10 and 2010/11 shows that the number of unemployed learners registered outside of Apprenticeships provision has increased by around 80% from 318,000 in 2009/10 to 568,000 in 2010/11.<sup>6</sup> The number of enrolments where the learners was claiming JSA also increased from 173,000 to 194,000

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<sup>6</sup> Using variable L37: Employment status on first day of learning.

between 2009/10 and 2010/11.<sup>7</sup> Data is not yet available for the full 2011/12 academic year so it is too early to tell whether these increased numbers of unemployed learners have been maintained.

Providers highlighted the increased importance of pre-employment training for the unemployed as a result of the funding changes. Because of the rising importance of unemployed learners as a proportion of total learners, providers are viewing this work as increasingly important to their operations. This closely reflects the policy intention of the changes this academic year.

*More and more of our adult budget is going on targeting that worklessness agenda. Rather than the workforce development at Level 2 that we were doing previously, it's now about how we improve employability skills to get people into an entry-level job and back into the workforce.*

FE college

*We used to have a lot bigger and longer courses but nowhere near as many as there used to be, because of the increase in fees. So we've responded by offering units, by working closely with Jobcentre Plus.*

FE college

*[This provision was] non-existent last year. Now we have well over 200 learners. The whole focus has changed due to the policy direction.*

FE college

The funding changes and other messages are changing the way providers conceive of being responsive to the needs of unemployed learners and the level of awareness and priority of this work has risen dramatically in many providers. Providers felt that there is now a much greater focus on outcomes and achieving specific jobs than in previous years. They also said that the focus on short courses was new.

*It's far more now about the outcome. It has always been about giving the people the skills they need for employment, but now it's far more focused. So I think one big impact for us is around the content of the curriculum that we're offering for unemployed adults generally...being far more about a specific job rather than just a general skills development programme.*

FE college

For many providers, work with the unemployed is a continuation and extension of previous academic years, including activity supported through the European Social Fund (ESF), such as *Skills Support for the Unemployed*, and *Skills Support for Redundancy*, and through the Integrated Employment and Skills trials and Unemployed Training Offer. The experience and infrastructure developed through working on pre-existing programmes has influenced providers' approaches to working with unemployed learners this year, and to

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<sup>7</sup> Using variable A14: Reason for full/co-funding of learning aim.

tracking their destinations. ESF projects from previous years also helped to develop a positive relationship with Jobcentre Plus. For voluntary sector providers we consulted in particular, pre-employment training funded through the Adult Skills Budget is a minority of their work with unemployed people, which is supported through other routes such as ESF and Lottery funding.

Two private training organisations we consulted previously specialised in work-based learning and have begun to increase their work with unemployed learners only in this academic year. As this work is relatively new to them, they are still planning and building capacity at this stage with the intention of full delivery in 2012/13. Minimum Contract Values have affected a few smaller independent providers: a specialist private provider with significant experience of working with unemployed learners has had to become a subcontractor for three colleges, because it is now below the minimum contract threshold. Contracting with colleges has therefore added extra management costs, compared to the direct relationship with the Skills Funding Agency.

Several very large private providers are also beginning to deliver pre-employment training through the Adult Skills Budget. In one case a provider also holds a Work Programme contract as a prime provider and works with thousands of unemployed learners across the country, including recruiting unemployed learners on to Apprenticeship programmes. At the time of the first wave of interviews, one large private provider used all its Adult Skills Budget allocation to deliver Apprenticeships, and felt that it would be difficult to transfer activity from Apprenticeships. By their second interview, they had been able to set up provision for the unemployed under the Adult Skills Budget, offering short vocationally focused units, with the intention to expand this next academic year. Indeed most providers emphasised they would be continuing and expanding their work with unemployed learners next academic year, continuing to follow the policy direction.

*We'll continue to do the same. We are expanding the sectors. I think that we have a lot of knowledge about it now with large numbers of learners coming through... So yes we will continue to do the same and more of the same.*

FE college

## Understanding the local labour market

Both colleges and private providers cited Jobcentre Plus local vacancy data and the NOMIS statistics website as being primary sources through which to understand the needs of their local labour market. Engaging with Local Authorities or Local Economic Partnerships on employment priorities was common. We also found examples of providers using staff and information from other learning streams, particularly Apprenticeships, as a source for LMI in relation to vacancies, as well as conducting their own market research. With the demise of RDAs, one college mentioned the lack of “global” information, beyond the very local data of Jobcentre Plus.

Direct relationships with employers can be used to both to gather intelligence on vacancies, but also to make steps towards placing students into vacancies. There are examples of providers employing job brokers to make these links to employers or engaging directly. Hosting or attending recruitment fairs and events is also a useful technique to assess vacancy types, as well as build direct links with employers.

*Actually going out and speaking to employers to encourage them to consider our candidates [is valuable], rather than just submitting basic statistics.*

Voluntary sector training organisation

Whatever labour market information a provider gathers, it will aim to shape its provision to meet these needs, often linking to specific vacancies. In certain examples, colleges are using vacancy information directly to inform provision.

*In respect of designing the programmes, ...we will look at the top ten vacancies in the city, ... we will then design our programmes to meet this need...So it's not a case of simply putting on what we're good at; we've had to develop our staff so that they can put on courses quickly.*

FE college

Providers face a challenge in how to link a learner's learning and career aspirations to the local labour market. Sometimes learners' aspirations may be difficult to achieve in the short term depending on the status of the local job market. In these cases it is necessary to negotiate and discuss with both the learner and Jobcentre Plus to agree the best approach.

## **Challenges in working with unemployed people**

Working with unemployed learners presents particular challenges to providers, most fundamentally because unemployed learners are a highly diverse group, with very different needs and circumstances. This means that assessments of individual learners' skills and other support needs are crucial, as is flexibility of funding and the ability to tailor provision at the local and even individual level. Skill levels can range from no qualifications and no work experience to those with higher education and extensive experience. Many providers referred to the impact of such diverse needs on the delivery of skills provision for unemployed adults.

Lack of attendance and poor retention was cited by several providers as being more common with unemployed learners than other groups. Attendance can be affected by caring responsibilities and travel arrangements, as well as deeper underlying support needs. Low attendance is also associated with low motivation, low self-confidence and little belief in the ability to improve one's circumstances. Providers have responded to learners' motivational needs by incorporating elements of re-engagement and motivational support into their provision.

Certain unemployed clients may also face major additional needs such as drug or alcohol dependency and homelessness. Where needs are profound, learners sometimes require one-to-one support, which is not necessarily supported under the current funding rates. These needs are therefore funded either through other routes or by providers directly.

Provider staff may benefit from additional CPD or training to prepare them to work with unemployed learners. Several providers pointed out the particular challenges for tutors of delivering skills provision for unemployed adults. As well as behavioural and motivational challenges, tutors must be able to differentiate learning in groups of mixed abilities.

Financial barriers also present themselves to providers delivering pre-employment training. Catering for additional support needs, helping learners apply for jobs, monitoring the labour market, and liaising with Jobcentre Plus, all incur a cost on providers. At least one provider consulted has chosen to forgo their normal practice of passing on exam fees and materials costs to learners in recognition of the low incomes of their unemployed learners, also causing concern over financial viability of the provision.

## The relationship with Jobcentre Plus

Learners on Jobseekers Allowance and Employment and Support Allowance (Work Related Activity Group) with an identified skills need may be referred by Jobcentre Plus to specific FE and Skills providers. The exact arrangements for referrals are determined at a local level, but referrals are based on the needs of the individual claimant, rather than linked to a specific stage of claim or age.<sup>8</sup> Referrals are to a provider, rather than to a specific course or programme, meaning that providers must liaise with Jobcentre Plus advisers to ensure advisers are aware of the range of provision and areas of expertise the provider offers. Once a learner is referred it is down to the training provider to determine the most appropriate provision to meet the needs of the claimant. For JSA claimants, providers are free to provide training for less than 16 hours a week, or for more than 16 hours a week for less than two weeks. With agreement from Jobcentre Plus, providers can also offer training for 16 hours a week or more for more than two weeks. ESA (WRAG) claimants can undertake full-time training and still claim their benefit.<sup>9</sup>

Providers' work with Jobcentre Plus has generally increased and developed substantially over the course of the academic year. We have found good examples of positive working relationships between colleges and Jobcentre Plus, sometimes underpinned by Service Level Agreements and regular, scheduled communication taking place. This is important to ensure that Jobcentre Plus advisers are aware of providers' offers to unemployed learners.

*We have a service level agreement. We have a planned range of programmes with Jobcentre Plus so that they know what is available. Every Friday we have JCP learners coming in to be assessed by us to see what programme they should be on. ... JCP come in now with us in the college, as well, so that they can also help to support the individuals... I think it's one day a week now that they are with us.*

FE college

By the time of the second wave of interviews, several providers reported that their working relationships working with Jobcentre Plus had been maintained or even grown in effectiveness. In many cases, there has been a concerted effort to scale up interaction following the policy prioritisation of unemployed learners. Where partnership working between skills providers and Jobcentre Plus was new for both parties, building trust has often been the priority in the first instance, with providers having to demonstrate through

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<sup>8</sup> Skills Funding Agency, *Skills in the Pre-Work Programme Job Centre Plus offer*, (April 2011), [http://readingroom.skillsfundingagency.bis.gov.uk/sfa/skills\\_funding\\_agency\\_-\\_skills\\_in\\_the\\_pre-work\\_programme\\_jobcentre\\_plus.pdf](http://readingroom.skillsfundingagency.bis.gov.uk/sfa/skills_funding_agency_-_skills_in_the_pre-work_programme_jobcentre_plus.pdf)

<sup>9</sup> Skills Funding Agency, *Skills in the Pre-Work Programme Job Centre Plus offer*, pp.2-3.



case studies or destinations data the effectiveness of their provision at achieving employment for learners.

Given that Jobcentres have a choice of providers to which to refer learners, there is an onus on providers to ensure Jobcentre Plus advisers are aware of their provision and its potential benefits to unemployed people. Higher awareness of providers usually translates into Jobcentre Plus advisers referring more and more suitable learners to a given provider. Where providers are new to this area of work, it may take time to build awareness with Jobcentre Plus. Even providers that are well known to Jobcentre Plus sometimes find it challenging to ensure advisers are fully aware of their provision, especially if they are inundated with different provider offers.

*I think we are getting a lot higher numbers of referrals, but [Jobcentre Plus] are littered with offers by other training providers...Advisers develop favourites [among providers] because of the ease of working with them or because they know them, so everybody's trying to market themselves to the advisers and there is a lot on offer...It just feels quite crowded here.*

FE college

Closer working relationships appear to be helpful in this respect, with more providers citing more examples of co-location of Jobcentre and provider staff in each others' premises. Across both waves of research there were examples of providers offering training or workshops to Jobcentre Plus advisers on their organisation and the breadth and nature of their provision. This has led to improvements in Jobcentre Plus's understanding of their provision and its likely impact.

There is evidence of relationships forming at different levels within organisations, such as strategic, operational and curriculum manager levels. Larger providers describe a need to develop and then find ways to manage horizontal relationships with many different Jobcentre Plus offices, each with a different set of advisers. Where sector based work academies have been set up with Jobcentre Plus, employers and providers, their establishment and delivery have required very close working arrangements, which has been helpful in bringing staff from providers and Jobcentre Plus together.

Providers highlighted the potential financial challenge, both of general engagement with Jobcentre Plus, but also of conducting initial assessments with learners, neither of which are directly fundable.

The volume and nature of unemployed learner referrals from Jobcentre Plus continues to vary across different Jobcentre Plus offices and even between different advisers. However, in the large majority of cases, referrals had increased by the time of the second wave of interviews later in the academic year.

## **The impact of skills conditionality**

At the first wave of interviews earlier in the academic year providers had variable experience of receiving mandated learners through skills conditionality. Later in the academic year more providers had experienced skills conditionality referrals, with providers reporting its regular use for the first time or increased use since they were last

interviewed. However there still seems to be variability between Jobcentre offices and individual advisers and quite minimal use in some areas.

Several colleges felt that there was inconsistency in the approach to mandating learners under skills conditionality from adviser to adviser at Jobcentre Plus, and from office to office, causing some confusion.

*It's not clear to us on what grounds some people have been mandated and others haven't, and it does seem to depend a little bit on the individual adviser who has sent them.*

FE college

Initially views were mixed as to the likely effectiveness of mandation. Positive points include that mandated learners are presumed to be more likely to attend training, and may feel a greater impact from training, with specific skills needs which providers can genuinely support. However, several colleges report that they have been surprised at the proportion of learners who do not attend despite being mandated.

*These are people that have been mandated, they know that they're mandated. They've been told, 'If you don't turn up your benefits won't come through,' and yet you're lucky if you get half of them turn up.*

FE college

Where mandated learners do attend, providers have had mixed experiences of their motivation and success on courses. Several providers have expressed concerns that the initial information, advice and guidance given to unemployed learners is not always appropriate for those mandated under skills conditionality, leading to low motivation from learners.

A number of providers described the challenge inherent in working with mandated learners, such as having learners that have not chosen to undertake learning with the provider and may therefore be disengaged or even disruptive. It was also pointed out that mandated learners often have higher additional support needs than not mandated referrals and therefore incur greater costs on providers, through training staff for example. A minority of providers felt that they could not address these needs and that these needs should be addressed before the individual is referred.

*We've provided additional staff training to equip them to work with learners referred through skills conditionality. Learners referred through skills conditionality have higher learner support needs and appear to have a greater prevalence of additional needs i.e. homelessness, drug and alcohol misuse issues.*

FE college

Many providers were concerned about the administrative burden associated with skills conditionality, which can be more extensive than with other types of learner. One FE college staff member explained their exasperation at having to courier paper based forms to and from the Jobcentre, rather than using electronic paperwork. Another college

explained that the processes involved in skills conditionality can delay the start of training, as the Jobcentre Plus adviser must agree with the training the college recommends. The college explained that with the significant volumes of referrals involved, the Jobcentre has limited resources to review the college's training suggestions.

### 3. Adult Skills Budget capacity funding

The Skills Funding Agency labelled 2011/12 a “transitional year”, when it asked providers “to work with the sector in a different way and with new client groups, particularly unemployed clients”. To support this 2.5% of the Adult Skills Budget has been made available “to set up the infrastructure required to deliver job outcomes to unemployed learners.”<sup>10</sup> The Agency has given guidance that it expects the funding to be used “to define the key stakeholders in the locality and to make significant progress in engaging with them in preparing to develop a more formal offer in 2012/13.”<sup>11</sup> The outcome expected from this investment was to better prepare providers to be able to offer increased and improved skills training for the unemployed both in 2011/12 and in future years.

As outlined below, we have found evidence of providers investing in a range of approaches in this academic year, usually spreading investment over several areas. At the time of the first wave of interviews, a minority of providers were yet to make any meaningful investments. Private and voluntary sector providers in particular highlighted some confusion towards how the funding should be used and evidenced. However, by the time of the second wave of interviews, all these providers had made use of the funding in some way.

Providers welcome the fact that the capacity funding is not directly linked to training outcomes, allowing providers to develop wider support than simply funding additional provision and encouraging innovation in approaches.

*Some of the client groups that we're working with are very, very challenging and very, very difficult, and...we could do with more of that kind of capacity building money to actually try and develop some projects. Not everything will succeed, but on the other hand, some of these projects could actually be built upon.*

FE college

In summary, the activity and investment supported through this capacity funding included:

- Developing resources/processes to improve engagement with Jobcentre Plus, such as better communication systems, formalised meeting schedules, shared delivery targets, briefings to inform Jobcentre Plus advisers of the providers' offer.
- Developing improved processes for engaging employers, including recruiting additional staff, information management systems, setting up job brokerage

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<sup>10</sup> Skills Funding Agency, *Adult Skills Budget Funding Requirements 2011/12*, Version 1.1 (August 2011), available online at [http://readingroom.lsc.gov.uk/SFA/AdultSkillsBudgetFundingRequirements\\_12Aug2011\\_V1.1.pdf](http://readingroom.lsc.gov.uk/SFA/AdultSkillsBudgetFundingRequirements_12Aug2011_V1.1.pdf) (accessed November 2011), pp.20-21.

<sup>11</sup> Skills Funding Agency, *Adult Skills Budget Funding Requirements 2011/12*, p. 22.

services and recruitment fairs, investing in relationships with employers to identify vacancies.

- Developing learner destination tracking and reporting methods, including additional staff and resources to contact ex-learners and information management systems to track employment outcomes.
- Additional support to help people find and apply for jobs, including improved online resources, establishing job clubs or other job search/application support, and developing internal employment agencies.
- Establishing additional delivery or outreach premises, either close to Jobcentre Plus, or in prominent local sites; supporting the co-location of Jobcentre Plus and provider staff on each others' premises.
- Employing additional teachers, additional administrative support and specialist staff such as data managers or job coaches.
- Developing new unit or qualification based provision/delivery models, or modification of existing programmes to have a greater pre-employment focus.
- Investing in staff training, e.g., on IAG, benefit rules, employability skills.

These uses of the funding are discussed in more detail in the sub-sections below.

## **Developing resources/processes to improve engagement with Jobcentre Plus or employers**

The majority of providers consulted have used part of their allocation to either develop new, or maintain existing relationships with Jobcentre Plus colleagues. This has supported and funded many of the processes and resources discussed in the previous chapter, including additional communication infrastructure with Jobcentre Plus and formalised meeting schedules and shared delivery targets, as well as relocation of employment-related functions to be physically closer to Jobcentre Plus to help facilitate referrals. As discussed in the previous section, providers have also used the funding to support investment in materials and briefings for Jobcentre Plus advisers to inform them about the provider, its offer to unemployed learners and the likely impacts of this, in order to improve both the volume and quality of Jobcentre Plus referrals.

Certain colleges have used the funding to recruit Business Development Advisers or brokers to support building better links with employers and support sourcing vacancies. Two colleges had advertised for similar new staff, but did not plan fully to allocate resources until they had achieved a better understanding of the proportion of future learners that will be unemployed. A large private provider was developing better systems to engage with employers to track vacancies and link these to specific skill needs of learners, as well as offering a “pick and mix” of short courses for employers to influence what provision unemployed learners received.

Two colleges we consulted have set up job brokerage services and recruitment fairs to improve links between providers and employers, where they have invited employers with vacancies to visit the college and meet the learners directly. Providers highlighted that these events are a not only a good way of engaging with employers but also provide an opportunity to better understand employers' needs, and for learners to meet and understand the needs of employers.

## Developing destination tracking and reporting methods

The majority of providers consulted had used the capacity funding to develop new or existing systems to track learners' destinations after they leave training. Methods include tracking surveys, telephone calls and written letters, with results recorded in databases. Telephone calls were variously conducted through college administrators, exam invigilators or through newly appointed dedicated Tracking Officers. One college was even using learners on a Routeways to Work programme in call centre work to conduct the follow up survey, thus giving its learners practical, paid work experience, while collecting job outcome data at the same time. A private provider is developing an automated text system to keep in touch with their former learners. It should be emphasised that even by the second wave of interviews, many of these systems were still in development and only a minority of providers could refer to detailed outcomes data for unemployed learners.

Tracking methods were generally targeted at learners, rather than employers, although before the announcement on Job Outcome Payments mid-year, several providers had assumed they would need employer certification of a job and had invested in mechanisms through which to gain employer sign off of a job outcome.

Historically many providers have used destination/customer satisfaction surveys to track progression and outcomes. Providers engaged in ESF programmes that require job outcome evidence have been heavily influenced by the outcome evidence requirements for these programmes, which are often more extensive than the proposed model for Job Outcome Payment evidencing. For example, one provider cited that their ESF programme required evidence on outcomes taken 13 weeks after finishing the course, then four weeks following that in order to check a sustained outcome, with a job declaration signed in person by the employer.

Providers are keen to consider other positive progression outcomes, such as to further education or training, employment with training, as well as job outcomes. One college was even recording whether a job was with or without training, as a measure of quality of outcome. However, they explained that this would be very costly to do for all their learners, or if volumes of unemployed learners increased. Several colleges are also seeking to track learner destinations across all their provision, beyond unemployed learners, recognising that employability and positive outcomes are becoming increasingly important to all learners. At least two colleges are trying to improve outcome monitoring more broadly by asking learners what they want to achieve at the start of a course and recording exit interviews and post-training interviews to assess whether learner objectives were achieved.

Several providers emphasised that conducting tracking surveys can be resource intensive and may not be economical (unless the job outcome payments are high enough to fund for example dedicated posts). For this reason, sharing data with Jobcentre Plus is seen as

being the ultimate goal for evidencing job outcomes. However, following confirmation of the evidence requirements for Job Outcome Payments, providers were clear that learner self certification was less onerous than anticipated.

Following the announcement that the format of Job Outcome Payments will apply only to those learners that do not complete provision, several providers mentioned that they nevertheless intend to maintain their more universal tracking systems, as it provides useful management information, as well as a potential strong marketing message.

*That helps us probably in terms of recruitment if we can evidence that lots of students who come here get jobs. So it has a marketing benefit to me down the line, but it doesn't in itself as an activity generate money.*

FE college

*It's a very powerful marketing tool if you can say, 'I'm the best in London at job hunting.'*

FE college

## **Additional support to help people find and apply for jobs**

We found numerous examples of providers investing in additional support for job searching and applications.

Several providers have developed their online presence, through, for example, updating and improving careers advice on websites, or in the case of one college, setting up web portals for students and employers to post job vacancies and CVs. In the latter example, this college was also exploring exclusivity deals with employers, to agree only to use the college's site to advertise vacancies, in return for support to fill vacancies with appropriate candidates. Another college has developed a system that matches vacancies to individuals' skills profile and automatically sends these to the learner to encourage them to keep applying, even if they have been unsuccessful in the past. One college explained that they had purchased software to analyse local employment data more effectively, while another has established an online system for learners which links with vacancies from Jobcentre Plus daily.

Several colleges had made internal organisational changes to better support learners into work. One college has used the capacity funding to appoint a team to identify work experience opportunities for their learners. In another example a college has established an internal division with much more flexible working methods to emulate the flexibility of a private provider, as they felt this could be more effective at responding to employer and learner needs.

*We created our own division to act like private training providers...not constrained by some of the... bureaucracy when courses start, et cetera. So we kind of took what was best out in the private training arena and brought it into the college by taking a manager from one of our competitors, who then built a team of people who were focused on job outcomes.*

## FE college

Several colleges are setting up their own employment and recruitment agencies or considering expanding existing agencies. The investment has helped improve both employer relations and job opportunities for students. One college set up an in-house recruitment agency five years ago and has recently converted it into a private company to give it the freedom and flexibility to operate as a separate entity. Non-college learners will also be able to use the agency. Setting up employment agencies gives providers a direct way to manage vacancies and support learners into work. Challenges include deploying a new delivery model, developing a pool of candidates for employers to recruit from and re-assigning those who are unsuccessful.

Two colleges were also considering setting up working agreements with external private recruitment agencies. Agreements here have included exclusivity deals so that job vacancies are only marketed to college students and may include external recruitment staff working in the college.

Several providers have introduced job search facilities or established jobs clubs. Job clubs at one FE provider, for example, run after classes to assist with key aspects of job searching and include interview support, running mock job interviews and video recording of the interview to improve presentation skills.

As well as building links with employers or agencies, many colleges have also sought to engage with unemployed people in the community. One college is appointing “young ambassadors” from disadvantaged communities to promote the college and its courses as a route to work, meaning it need not depend on referrals from Jobcentre Plus only. The same college had early ideas for a Community Café as a focal point for engaging new unemployed learners, allowing them to gain work experience in catering. It was also setting up “Skills Training Action Zones” in underprivileged areas of the city, with dedicated staff employed to work in particular neighbourhoods with the Local Authority to identify gaps in provision and links with the voluntary sector.

## **Renting of more suitable delivery premises close to Jobcentre Plus premises**

Establishing additional delivery or outreach premises, either close to Jobcentre Plus, or in prominent local sites, has also been pursued by numerous colleges and at least one private training provider. Another approach is to locate Jobcentre Plus staff in a college, for example for one day a week; in one case Jobcentre Plus staff now regularly come to a college to support the admission of new cohorts of unemployed learners. Other colleges have located college IAG officers in Jobcentres in order to support the initial advice and guidance interviews and skills assessments before referral. One FE college has introduced careers advisers into their satellite college employment centres who also co-locate with Jobcentre Plus advisers. Establishing these employment centres was in recognition that the college was not always considered the best environment for certain learners.

*We have employment centres and we've got careers advisers in them and Jobcentre Plus staff who go down and spend a duration of time in those centres as well. I think, for us, it was also a recognition that, for some unemployed people, one, that the college environment is not their preference*



*and, two, the Jobcentre isn't their preference. So, the idea behind these centres is that they're a different flavour, if you like.*

FE college

Two other FE colleges highlighted that they had used the capacity funding to hire additional classroom space to house the increasing volume of referrals. Another college was considering delivering some basic skills training at Jobcentre Plus premises in order better to guarantee learner attendance as they sign on for benefits.

In one example, a college was establishing an employment and enterprise hub on the local High Street. This is conceived as a multi-agency hub, housing representatives of Jobcentre Plus, local business organisations, National Careers Service advisers, a major recruitment agency, as well as the college. By the time of the second wave interview, this hub was operating two days a week, and needed some development to continue its progress, as final agreement and implementation of the recruitment agency's involvement had not yet been achieved.

### **Additional teaching or staff capacity**

Several colleges and private providers have invested in developing new unit or qualification based provision and recruiting new teaching staff to deliver this, as well as additional administrative support. One private training provider has employed a member of staff with specialist experience of progressing learners from classroom based programmes into full Apprenticeships and employment. We found examples of colleges having used funding to support modification of existing vocational programmes to embed employability and personal development, in order to make them more effective at supporting learners into work.

As well as teaching capacity, at least five colleges and two private training providers have used the funding to invest in staff training. For example, putting staff through IAG qualifications, or training to raise awareness of benefit rules, employability skills and flexible delivery, or of the specific needs of unemployed learners. A large private provider had invested in staff training and development, including developing internal capacity and accreditation for an employment related services diploma qualification for training delivery staff.

Colleges have also recruited additional advisers or dedicated employment support officers to give initial interviews for unemployed learners, or to engage employers or identify work placement opportunities.

One college had employed several new staff with the funding, including a manager, a data manager and job coaches, helping to make their existing infrastructure for working with unemployed learners firmer:

*Because we've had this extra funding, we've been able to make the structure firmer. So we've got a manager, we've got an employment support officer, we've got somebody that's doing a lot of the data management work, brokering provision between Jobcentre Plus and the curriculum areas. So that infrastructure is in place. We've also got mentors that are supporting*

*learners, we've got job coaches, so yes that funding's been brilliant in respect of making us be able to put on this level of support for these requirements.*

FE college

## Impacts and sustainability of investments

Even by the second wave of interviews, many providers were still investing in capacity building and the main demonstrable impacts were the direct outputs of investment, whether in the form of new systems for job outcome tracking, new staff members, greater focus on pre-employment training, or better relationships with Jobcentre Plus and employers. Impacts on learners were in some cases obvious, such as where learners were able to attend job clubs or other increased support to search for and apply for jobs. However in many cases, even by the second wave of interviews, providers felt it was still too early to judge the likely impacts on learners.

A minority were able to provide case study examples of programmes where unemployed learners had been able to secure employment as a result of new initiatives or provision, while others highlighted that their new practices had enabled engagement with previously hard to reach learners.

*We've actually got some people.....that otherwise wouldn't have been engaged at all I don't think. We've had people going on to employment programmes and Apprenticeships as well. We can see an impact in terms of real people coming through, that perhaps we wouldn't have reached if we hadn't had the capacity building.*

FE college

Several providers were keen to highlight that the investments such as employment focused centres and recruitment agencies have now forged new and wider links with local employers. While the returns would not be immediate, the capacity funding has aided providers to test new ways of engaging with more employers and promote their services to maintain a stream of vacancies and work experience for their learners.

Most providers felt that the capacity building investments would be sustained into future academic years. Where systems, facilities or infrastructure have been developed, providers are generally willing to sustain these from their own budgets. This includes co-location and other relationships with Jobcentre Plus. A minority of providers consulted are continuing to support activity through ESF funds, as well as their central budgets.

Where new job roles have been created, many providers are choosing to sustain these into future years. For example by the second interview a college had offered a permanent contract to their tracking administrator who had previously been a short-term appointment. Another college has decided to maintain their new Employment Services Manager recognising the value that the role brings to serving the local community.

*To be honest, the 2.5% was a nice kick in the right direction because we need to be doing it. So we put in those job brokers with the equivalent of that*

*2.5%. We are now sustaining that and we're in the process of signing off our budget for the next year now. They are in that budget for next year.*

FE college

Conversely, several providers did have doubts about the sustainability of some specific investments, including for example dedicated roles such as tracking officers, college based recruitment agencies and Job Clubs. One college suggested that whilst previously free of charge they would consider charging a fee for their recruitment services, although they were conscious they would then be competing with more established commercial recruitment agencies. Where funding has been used to fund specific one-off events, such as employer events, these will need to be funded by providers in future to ensure sustainability.

## 4. Job outcome payments

### Feedback on emerging policy

At the beginning of the 2011/12 contract year the Skills Funding Agency announced their intention to introduce a new policy on job outcome payments into the provider payment model. At that point in time the Agency was only able to give an indication of the principles of the outline policy. For example, they stated that providers must begin to capture all job outcomes from JSA and ESA (WRAG) learners and also those unemployed learners in receipt of a state benefit, where they want to enter employment and are fully-funded. The Agency stated it will be “working with the Information Authority to issue a definition of a job outcome in order for providers to accurately report job outcomes on the ILR.” Furthermore, they communicated that the Job Outcome Payments would not form part of the performance management process in 2011/12, allowing providers to set up the infrastructure required to deliver and measure job outcomes.<sup>12</sup>

Our first wave of interviews therefore took place before the policy on Job Outcome Payments had been fully published. Given this, there was considerable debate and speculation from providers about how the outcomes would be defined, evidenced and how they could start to prepare for its introduction in 2012/13. A minority of providers reported that they had assumed outcome payments would be available for all unemployed learners entering employment after completing a course. A number of providers flagged the need to consider the diversity of training providers’ particular learning contexts and above all the nature of their employment market. Similarly, providers also emphasised differential payments could take into account differences in work readiness across learners, particularly in such a diverse group. Other challenges included how to treat temporary or seasonal work, part-time work and voluntary work. Several colleges were keen that progression to further training or higher education should also be treated as a positive outcome, alongside jobs.

On the principle of job outcome payments, most providers consulted felt it would be positive to compensate providers for non-completions as a result of learners’ achieving employment, and that it was useful for funding to recognise that this is not a negative outcome and is in some cases, one of training providers’ key purposes:

*I think there is a strong line of argument that leaving a programme for a job, because that will happen inevitably, [is] actually good news...At the moment that counts against us, as in we’re actively penalised in terms of success rate for that person progressing, which just seems crazy to me.*

Training organisation

Several providers felt that if too much emphasis were placed on achieving employment there was a danger of moving beyond their established role of training providers. One college stated: “They’re asking us to do a completely different function, which needs additional resources. The payment therefore needs to be clearer in order to justify this

<sup>12</sup> Skills Funding Agency, *Adult Skills Budget Funding Requirements 2011/12*, p. 21.

*investment.*” Others felt similarly that “*Ultimately we are changing the nature of what colleges are about if we go too far down this route*”, and suggesting that better integration between employment and skills providers was preferable to skills providers becoming too involved in employment support.

## Provider attitudes to the payment model for 2012/13

By the second wave of interviews later in the academic year, providers were able to comment on the full policy. In April 2012 the Skills Funding Agency published the Funding Rules 2012/13 and as part of this announced the finalised policy for job outcome payments. The policy sets out that: “*job outcomes will be piloted in 2012/13 using the existing funding models with ten per cent job outcome funding where an eligible Learner leaves and enters work without achievement of the learning aim*”.<sup>13</sup>

Given the speculation over the form of the payments in the first wave of interviews, several providers found that their assumptions on the payment model had proved incorrect. However, there was a general appreciation from providers of all types that recognising a job outcome in positive terms is a welcome measure, given that ultimately the *raison d'être* for this provision is to increase employment opportunities. This also provides additional income for what previously would have been a loss of the full qualification achievement payment.

*Not counting getting a job as a negative outcome has to be wholly sensible because the whole point of skills development is to promote people's employment prospects. So frankly, if they don't finish the qualification but they get into a job, then actually in a way you've just cut out the middleman, to some extent.*

Training organisation

At the time of the interviews, providers had not developed their systems in relation to Job Outcome Payments. Several providers showed a lack of clarity that learner self declarations were acceptable as evidence of a job outcome. A minority also showed confusion over the cut off point for measuring a successful outcome and whether the type of employment obtained would need to be in the same area as the learning intervention. Overall, providers were satisfied that the process of validating job outcomes via learner declaration, rather than employer confirmation, will be less onerous and were supportive of the decision to capture evidence in this manner.

*I think [a learner declaration is] the right way to go. One, because the learners don't always like you being in contact with their employers, and secondly, what you're trying to do is keep up with the learner, find out what the outcomes are, so that seems to be the right relationship, to me.*

Voluntary sector training organisation

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<sup>13</sup> Skills Funding Agency, *Funding Rules 2012/13*, April 2012, p.18.

Several providers accepted the model overall but queried the rationale behind awarding only 10% payment as opposed to the full 20%. They saw this as an arbitrary distinction and asserted that perhaps gaining employment should also be viewed as a wholly successful outcome.

*10% as opposed to 20%, that's fine. It seems like an artificial distinction for no obvious reason, but we can live with that... we would prefer a situation where if someone got a job, that was a fully successful outcome, not a partially successful one, because ultimately for the unemployed clients, they will use their new skills to facilitate getting a job.*

Training organisation

Building on some of the early inferences on how the policy could work, two colleges proposed that providers should actually get paid an additional bonus for a learner completing their course and securing a job as a result. Moreover, they purport that the actual suggested payment does not act as an incentive, but as a *post hoc* compensation.

*You're not getting paid extra for getting someone a qualification and a job, which surely is the ultimate goal. You know, the gold standard of these programmes is to say, well, not only did they pass their qualifications or the units, but they've also secured a job.*

FE college

Another college felt that although the policy would not affect its approach to working with unemployed learners, as its default position would be to ensure learners complete their courses, it would impose an additional reporting burden. The college was wary of being judged on job outcomes of non-completing learners in the future.

*It won't make a difference to our work. It will probably make us smarten up our systems of tracking outcomes, and as a college, we're going to have to look at throwing in additional resource, in order to track them effectively.*

FE college

For those providers comfortable with the payment model in principle, many were still considering the practical considerations associated with the policy. Two colleges mentioned conducting modelling exercises on learner attrition rates and current destination data to try to understand the impact on their finances. The level of sophistication of job outcome tracking systems was highly variable across providers, even after the capacity building investments. Several providers expressed concerns over the ability of their current systems to collect the required information, necessitating further development. Learner self declarations are vulnerable to low response rates – one college had a 3% response rate to a paper based questionnaire sent to learners. The college concluded that telephone follow up work was necessary, which would incur additional costs.

A number of providers continued to suggest how the policy could be developed. In view of the disparity in regional economies, two providers articulated that they would prefer to see a differentiation between different economic areas, recognising that areas of high unemployment will decrease the likelihood of job outcomes and the achievement of the

10% payment. Another college would like to see the payment model extended to sustainment and progression within employment. Several providers, including both colleges and training organisations, suggested that the Agency should consider the quality of the job and whether it includes training.

### ***Alignment of performance management measures***

Although the payment model was on balance seen as an improvement from the current system, numerous providers questioned whether learners who do not complete a unit or qualification and move into employment would still count against their Qualification Success Rates and the inspection regime.

*It's interesting because I can see it creating some conflicting views in the college. Obviously if you're inspected, the traditional inspection route would be to look at success rates and look at completion of qualification... So I think there's a conflict there between different policy and how traditionally college outcomes have been viewed.*

FE college

The consensus from providers is that the QSR and inspection regime should complement the funding system and acknowledge that non-completing learners that move into employment should not count negatively against a provider.

*Well I would like to now think if we move into this model that Ofsted will look at our success also relating to job outcomes. They've got to do that.*

FE college

*Even if we get compensated with 10% of a payment, that won't make up, in some respects, for the fact that we're still going to be hit with the performance measure problem.*

FE college

Providers expressed a strong preference for funding outcomes and success measures to be fully aligned.

*I think funding outcomes and success measures should be one and the same, because otherwise you're either positively rewarding something that you're saying isn't a desirable outcome, or you're penalising somebody for something that you're willing to fund because you're saying it is a desirable outcome. That just feels wholly unsatisfactory.*

Training organisation

## 5. Disadvantaged unemployed learners on non-work related benefits

In August 2011, the Skills Funding Agency confirmed that unemployed people receiving a state benefit other than JSA or ESA (WRAG), who want to enter employment and need skills training to do so, would be eligible for full funding for units and other learning aims that would help them enter employment at the provider's discretion.<sup>14</sup> This was also confirmed for the 2012/13 academic year. To be eligible for funding these individuals need to confirm through a self-declaration form that they are receiving a state benefit and that they want to enter employment.

### Learner eligibility

This confirmation that those claiming benefits other than JSA and ESA (WRAG) could be eligible for funding was welcomed by many providers as it allowed them to continue to fund learners who would otherwise have lost funding and been charged fees as a result of the changes. The majority of providers agreed with the overarching principle of supporting those on other benefits into employment.

*I think, personally, it was the right thing... lone parents etc who perhaps weren't claiming active benefits are the kind of people, ultimately that the government want to get back into the labour market.*

FE college

Providers also very much appreciated the ability to use their discretion and take responsibility for decision making in funding.

*It works very well. It is appropriate that the discretion lies with us rather than JCP as most disadvantaged learners come direct to us.*

FE college

In many instances, this flexibility has enabled providers to continue to engage with learners that would have otherwise not enrolled in learning if they had been expected to pay course fees. Providers feel the discretionary approach has helped to maintain the population of learners on benefits other than JSA and ESA (WRAG), as well as prevent "a significant loss of income" for a number of organisations. Providers emphasised the positive impact this decision would have on their organisation and learners.

*We have a significant number of learners who are not on active benefits...So, we have about 700 of those students, who had we not waived those fees, it's*

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<sup>14</sup> Skills Funding Agency, *2011/12 Learner Eligibility and Contribution Rules*, Version 2.1, (August 2011), available online at [http://readingroom.lsc.gov.uk/SFA/LearnerEligibilityandContributionRules\\_2011\\_12\\_12Aug2011\\_June\\_revision\\_V2.1.pdf](http://readingroom.lsc.gov.uk/SFA/LearnerEligibilityandContributionRules_2011_12_12Aug2011_June_revision_V2.1.pdf) (accessed November 2011), p. 21.



*very unlikely that they would have undertaken any courses, or any training, to help them. So that was very important to us.*

FE college

Self-certification by learners that are undertaking training as a route to employment seems to be working well, as it recognises that more formal evidence is difficult to collect. There is no time limit on this self-certification and other benefit claimants are not constrained by the same rules on length of training as JSA claimants, so learners are able to study longer programmes (for example, lasting a full year). This is seen as positive as some of these learners are further from the labour market and will therefore need to undertake more comprehensive training programmes across a range of vocational, basic skills and employability areas.

### ***Challenges of implementing the policy***

The relatively late confirmation of the eligibility of learners on benefits other than JSA and ESA (WRAG) did cause some frustration, as providers had planned delivery on the basis of these learners not being funded, and had therefore not recruited their usual volumes. At least 10 organisations described the negative impact that this late change had on their learner enrolments for 2011/12. Three colleges explained that they had already disseminated marketing materials outlining course offers and respective fees and it was too late to offer funded provision for these learners. Another college attempted to re-communicate their course offers at the start of the academic year.

In one example, a college had to reduce its English for Speakers of Other Languages (ESOL) provision from 3000 learners to 1000, and now has a long waiting list for ESOL, because it had planned for a large reduction and was not able to react quickly enough to eligibility confirmation. Another college had invested so much in provision for JSA claimants that they could not reverse this. Nonetheless, the majority of providers affected in this way envisage that numbers will recover in 2012/13.

*We missed the boat last September because the change was so late, all our publicity was already out there. Our adult recruitment plummeted like a stone and we never recovered.... Now that we can publicise this, because it's agreed for future years or at least next year, I think we will see the benefit of it.*

FE college

While most providers welcomed the new eligibility rules in principle, three colleges pointed out it would have a negative effect on their fee income collection targets, as they had planned to collect fees from a portion of those learners who would now be fully funded.

As some learners remain ineligible for fee remission, for example those not claiming benefits or seeking employment, one college for example is dealing with mixed cohorts of fee-paying and non-fee paying learners. A large private training organisation suggested that the eligibility requirements should be simplified, removing the benefit status distinction and allowing any unemployed learner to be eligible for funding.

*What would be really useful is to cut across all of this and just simplify it; if we're getting close to a point of saying everyone that hasn't got a job is eligible it would make everyone's job a lot easier.*

Training organisation

One college voiced queries about how learners' eligibility might change as welfare reforms continue and Universal Credit is implemented, emphasising the importance of stability in learners' eligibility.

The focus on employment for learners on benefits other than JSA or ESA (WRAG) can be a greater challenge than for active claimants, with job outcomes more difficult to achieve, especially for non-entry level roles. A large training organisation found that individuals on Employment Support Allowance non work-related activity group often did not choose to participate in the Work Programme as they are not mandated to do so.

*I think the challenge for BIS is what they mean by 'focused on the job market', because we may well be focusing them on the job market, but they are a substantially long way away from the job market. ... if they think those people who come on a one year programme at Entry Level 2 are suddenly going to be able to get a job at the end of it, they're sorely mistaken.*

FE college

One charity based training provider also emphasised that Minimum Levels of Performance should take into account the difficulties of engaging with more disadvantaged learners. This particularly affects smaller providers or those operating from a smaller resource base who have less "headroom to experiment with one group".

*The minimum levels of performance give you problems when you're trying to do things with some of the most disengaged groups...it's not necessarily about getting a job tomorrow [or] about getting qualifications - it's being a bit more sensitive about that - not getting rid of performance criteria - having appropriate performance criteria.*

Voluntary sector training organisation

### **Engagement with disadvantaged learner groups**

28 providers were also able to predict how many unemployed learners in receipt of benefits other than JSA or ESA (WRAG) they were expecting to use their discretion to fund in 2011/12. The responses show predictions ranging from zero to 8000, averaging at 790 learners. A breakdown of these figures by provider type indicates that FE colleges expect to fund the most of these learners, with an average prediction of 1079 learners. This contrasts with charitable or third sector providers, and private training organisations which gave average predictions of 175 and 34 learners, respectively. 22 providers reported that they measured the number of unemployed learners in receipt of these non-work related benefits, who also had skill levels below Level 2. Where available, providers suggest that on average 60% of those claiming benefits other than JSA and ESA (WRAG) will have skills below Level 2. English for Speakers of Other Languages (ESOL) provision is the largest group of learners in this category for most providers, followed by Learners with Learning Difficulties or Disabilities (LLDD).

Providers therefore have very different priorities and levels of experience of working with these groups. However, the flexibilities and discretion in the funding system have allowed providers to maintain continuity with previous years, as much existing provision was focused on becoming closer to employment. One college for example, stated it was important to maintain continuity and quality of provision, even if funding routes and eligibility change over time and ensure that this is no disruption for learners.

*I don't think it has [changed]. Yes, there are fewer places, but I think that any change should be outside of the classroom, it's our duty as a college management team to manage our finances, make best use of the income that we have, and it shouldn't impact what happens in the classroom. ... What they get would still be as good as it was prior to any change.*

FE college

Both an FE college and a voluntary training organisation also emphasised the importance of simply responding to the needs of learners in their catchment area, and working to make funding work meet those requirements.

*We start from the basis, 'What's the need and how can we meet it?' There are constraints, but we try not to let it be limited by policy changes if we think that runs contrary to needs, and we will continue to run our programmes for people not on benefits, dependants, for example, people on related benefits and people on active benefits.*

Voluntary sector training organisation

Of the providers we interviewed, several choose not to focus on disadvantaged learners or those on non-JSA/ESA (WRAG) benefits; this is the case with private training organisations in particular. A training organisation whose unemployed provision is new, explained that they had not targeted this group of learners and had not had any disadvantaged learners on their programme. A large private provider that also specialised in employment provision, as well as training, explained that learners on non-work related benefits were less easy for it to access, as they had less or no contact with Jobcentre Plus and the employment system. As larger private providers have less of a community presence, their work with disadvantaged learners on non-work related benefits has tended to be considerably smaller in scale.

*Actually [other benefit claimants are] quite difficult to get hold of, if I'm being honest, because they are less accessible. With the mandated participants or the active benefit participants, they are required to present...and be available for programmes and whatever else.*

Training organisation

Even some large colleges' use of the discretionary approach may be limited to a relatively small number of learners, compared to work-related benefit recipients. In the case of one college, this is because the Jobcentres and Work Programme providers are referring significant numbers of JSA and ESA (WRAG) recipients to the college and they are able to focus resources on these learners.

The extent of barriers for disadvantaged learners should not be underestimated, with many learners requiring additional support from providers to both attending training and to eventually enter employment. One approach being deployed to overcome the barriers for those furthest from the labour market is to use Community Learning budgets to offer informal methods of early engagement, followed by more formal pre-employment training at a later stage, potentially then supported with Additional Learner Support funds. Community Learning courses are often shorter than a full unit and can be delivered in accessible and flexible ways.

*PCDL is personal community development learning - there isn't a requirement that a qualification or a unit is attached, so we would offer a college certificate. It might be something around basic textiles, computing for the terrified. Something like that just gets people engaging in a subject. Then we would encourage those learners to perhaps take on a programme where there was some accreditation...we use PCDL to attract people into learning.*

FE college

Many providers provided additional funding to address other barriers including childcare facilities or subsidising travel costs, whether through Additional Learner Support or other funds.

*Things like childcare and support for learners facilitate the work that you're trying to do with them. We've had funding for childcare in the past for 19 plus learners – and those kinds of funds are very, very useful. Vital really.*

FE college

The level to which disadvantaged non-work related benefit claimants are treated as distinct groups varies among providers. Often unemployed learners will go through a generic framework or programme common to learners regardless of benefit status, but with the flexibility to also support those with particular needs. Although ESOL and LLDD learners tend to form distinct groups of provision, colleges in particular often do not systematically record whether a learner is an offender, homeless, or a single parent and these groups will often join wider cohorts of learners. Voluntary sector providers and some colleges do provide more tailored programmes for these groups, but this is often funded through other routes. The following sections discuss findings from provider interviews relating to five types of disadvantaged learners identified by BIS: Learners on programmes for English for Speakers of Other Languages (ESOL), Learners with Learning Difficulties or Disabilities (LLDD), offenders and ex-offenders, homeless people, single parents and young people under the age of 25.

## **English for Speakers of Other Languages (ESOL) learners**

Depending on location, many colleges have ESOL learners as a very significant element of their learner population - one organisation described this cohort as their “*bread and butter*”. Two thirds of providers who submitted pro-formas (21) reported that they were expecting to fund ESOL learners on non-work related benefits with an average prediction of 473 learners.

Demand for ESOL often outstrips providers' capacity to respond and waiting lists for ESOL provision are not unusual, especially if the number of ESOL places available at a provider has decreased – particularly so for those providers that struggled to respond to the change in eligibility rules in August 2011. According to the ILR, numbers of ESOL learners without a prior Level 2 qualification increased slightly in the two years before 2011/12, with 56,000 in 2009/10 and 59,000 in 2010/11, but figures for 2011/12 were not available at the time of writing.

### **Provision and delivery**

ESOL forms a distinct part of the Skills Funding Agency's funding for Skills for Life, with basic skills provision in English and mathematics. The arrangements for the delivery of ESOL courses vary considerably across the sector, with providers dealing with learners on both work-related and non-work related benefits. For several providers, the principal supply of ESOL candidates for example is via Jobcentre Plus referrals. One of the main characteristics of the provision described is its responsiveness to individual learner needs. ESOL courses may be standalone Skills for Life units, or embedded within vocational or employability programmes. Embedding ESOL in this way is felt by providers to be highly relevant towards supporting these learners towards employment. ESOL learners with the lowest level of English language proficiency may start on individualised unaccredited provision, before moving on to a qualification.

*We offer what we call ESOL plus courses...[which] have vocational elements built in. So we offer childcare, retail, IT, numeracy, in respect of subjects but also within every ESOL programme there's employability.*

FE college

The length of the course offered differs to a great extent depending on the provider and whether the provision is embedded in a broader programme. We found examples ranging from two weeks to six months. For ESOL learners on JSA and ESA (WRAG), one college wanted to see short course ESOL provision funded under the LARA database. In the meantime this college had designed and funded its own short course to meet this need. However, by its nature, ESOL provision may require a longer-term engagement with learners and a significant minority of providers have extended courses from two/three week programmes to four/six week courses to ensure that they are less "rushed" for learners and more likely to lead to a successful outcome. This is particularly important where learners have very low levels of English. One training organisation also stated that they would like to see more funding for written English language work, beyond speaking and listening.

*Most of the time, they are very good at speaking and listening. The issues are around the written work. The issue for me is around no funding for the written side of ESOL provision.*

Training organisation

Two of the providers highlighted have a high numbers of ESOL learners from particular language communities and dedicate a specialist teaching resource with staff speakers of the language of a particular community. One college has set up long term working

partnerships with their community learning providers with the intention of offering more substantial volumes of ESOL provision.

The primary challenge raised by providers was dealing with restrictions on funded learning for ESOL and managing expectations about what learning outcomes can realistically be achieved in course timescales. Where learners are claiming JSA, the length and intensity of learning must be negotiated with Jobcentre Plus if it is above 16 hours a week for more than two weeks. Several providers noted that Jobcentre Plus advisers could have unrealistic expectations of the progress possible within a short period of ESOL learning and of how long it takes initially to assess an ESOL learners needs.

*ESOL learners take longer than six months to address language needs. JCP's expectation that they will be job ready within six months is therefore unrealistic and we would like JCP to increase the window of time in. Many ESOL learners are not literate in their own language so to help them become literate in English takes time.*

FE college

Learners in the ESA (WRAG) and on other benefits are able to attend provision on a full-time basis throughout their claim,<sup>15</sup> meaning that providers can in theory support them on longer or multiple courses and have greater flexibility.

ESOL learners who are not in employment, but also not claiming benefits are currently ineligible for funding. One college serves a multicultural community and identified that they have elderly people accessing ESOL who could be disadvantaged by the focus on training towards employment. These learners would not be entitled to fee remission and would have to apply for the college's discretionary support fund, which is only available to those with household incomes below £16,000:

*Then we've got the third cohort, mainly elderly people, who say, 'Actually, I'm not coming on this course to help me gain a job because I don't want to work, it's not what I want to do; I want to be able to improve my English language skills so I can engage in everyday life.' For them we're saying, 'Actually, you've now got to apply to the college's discretionary support fund.' So they aren't entitled to full fee remission.*

FE college

## Learners with Learning Difficulties or Disabilities (LLDD)

The *Skills Investment Strategy* published in December 2011 underlines that those learners with learning difficulties or disabilities remain a priority for the government and will have the same entitlement to access provision as other learners. Fee remission for LLDD learners on non-work related benefits who are seeking employment can be accessed through providers' ability to apply the discretionary approach to funding. Co-funding is

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<sup>15</sup> Skills Funding Agency, *Skills in the Pre-Work Programme Job Centre Plus offer*, (April 2011), [http://readingroom.skillsfundingagency.bis.gov.uk/sfa/skills\\_funding\\_agency\\_-\\_skills\\_in\\_the\\_pre-work\\_programme\\_jobcentre\\_plus.pdf](http://readingroom.skillsfundingagency.bis.gov.uk/sfa/skills_funding_agency_-_skills_in_the_pre-work_programme_jobcentre_plus.pdf), p. 3.

available for some courses and additional support for these learners may also be available through the Additional Learning Support (ALS) fund and determined by the age and nature of the disability.

Providers therefore have a mix of LLDD learners drawing funding from different routes, or funding themselves, of which a proportion of these will be claiming benefits other than JSA or ESA (WRAG). From our interviews we found at least two colleges were cautious not to seek fee remission for those LLDD learners who are furthest from the labour market, because the providers felt it was unrealistic for these learners to work towards employment even as a long term goal. These learners can instead be funded through a college or provider's own budget, or through Community Learning funds.

*What we've not done, but I know some other colleges and training providers have done, is that the learners on LLDD specific provision [particularly Independent Living], we have not flagged them for fee remission, because I can't, in my heart of hearts, justify that they are going to get to Level 2 [working towards employment], because they're not.*

FE college

The results from the fieldwork data collection indicate that three quarters of providers (22) were expecting to fund learners on non-work related benefits who had learning difficulties or disabilities, and nearly two thirds of these providers (14) were able to predict how many they were expecting to fund, with an average prediction of 381 learners. Analysis of ILR data shows that, although full year figures are not yet available for 2011/12, the number of LLDD learners without a Level 2 attainment increased slightly from 63,000 in 2009/10 to 70,000 in 2010/11. Most of the interview responses from providers about LLDD learners do not distinguish between different categories of disability or learning difficulty.

Learners in this group may face a myriad of challenges to entering work and training, as well as practical barriers associated with their disability or learning difficulty, there may also be barriers of employer discrimination, lack of employment in a particular area, and lack of adaptations, equipment and support. In 2011 the employment rate of disabled people was 48.8 per cent, compared to 77.5 per cent for non-disabled people.<sup>16</sup> Lower levels of employment are then closely linked to higher disadvantage and deprivation.<sup>17</sup>

### ***Nature of provision and delivery***

Given the vast spectrum of needs and abilities of LLDD learners, the provision is similarly diverse. Where learners are judged to be able to work towards employment, providers will support this through, for example, independent living work, as well as employability, basic skills and vocational provision with additional learner support. Often courses include components around developing social skills or independence – one provider described this

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<sup>16</sup> HM Government, Office for Disability Issues, *Fulfilling Potential: Working together to enable disabled people to fulfil their potential and have opportunities to play a full role in society*, Discussion Document (2011), available online at <http://odi.dwp.gov.uk/docs/fulfilling-potential/fulfilling-potential-discussion.pdf> [Accessed February 2012], p.33-4.

<sup>17</sup> Jenny Morris, *Rethinking Disability Policy*, Joseph Rowntree Foundation, p.15, [www.jrf.org.uk/sites/files/jrf/disability-policy-equality-summary.pdf](http://www.jrf.org.uk/sites/files/jrf/disability-policy-equality-summary.pdf) and Colin Barnes, 2003.

as “*taking care of yourself*” and another referred to these particular courses as “*personal, social development programmes*”.

Where possible most providers will aim to keep learners within mainstream vocational courses to support a clear route to employment. This is supported through Additional Learning Support where necessary.

*We try to integrate students with learning difficulties, and disabilities, into mainstream, and we have a number of significant successes there, by providing additional learning support.*

FE college

Additional support may also be provided to support LLDD learners into employment or work experience. Examples included colleges identifying appropriate vacancies and work experience opportunities for these learners, in one case working with a specialist employment provider for people with disabilities.

*We have a big programme for young people and adults, who have learning disabilities, and we do use this to enable them to gain the skills, and be focused around job opportunities – but realistic job opportunities and appropriate job opportunities.*

FE college

*We have geared towards employability, with a fair amount of work skills in them... for example, links with an agricultural college where they learn horticulture as well, and we have work experience in the local parks around here, and lots of links with specialist agencies that find supported employment. So there is certainly quite a drive on employability in those courses.*

FE college

Some colleges specialise in this type of provision more than others. One college for example indicated that they have a dedicated part of the curriculum which focuses solely on LLDD learners, including both employment related and general provision. As part of its work to build confidence, self-esteem and give individuals a sense of responsibility it was supporting its LLDD learners by sending trainers to join them in the workplace and build confidence levels and provide practical one to one support. This college had also set up a shop on campus run by LLDD learners and takes LLDD learners into its administrative staff in order to gain work experience. Similarly, another college has provided the opportunity for LLDD learners to become involved in “a trading café” on the college site.

*We set up an internal shop which the students run themselves. ...It offers all of them the opportunity to develop employability skills, in terms of going into a work situation.*

FE college

Those learners judged as not being realistically able to work towards employment may instead work towards independent living or other goals, supported by Additional Learner



Support and other funding routes. Those with more profound needs may never obtain employment, but providers discussed particular groups of learners for whom longer term programmes and support could eventually lead to employment, potentially being able to consider employment in the future. Many providers deploy specialist tutors to deliver LLDD programmes to ensure that individuals receive appropriate levels of support.

One college, for example, emphasised that some individuals would struggle in a job interview particularly given the high levels of competition in the current labour market. For these learners, longer-term programmes and progression are encouraged.

*I think a lot of our experience is that they need a lot more time and progression in the college before they're work-ready, or near the labour market, as the term goes. Employers just wouldn't engage at interview, even though we try really hard to support them... We have had some success, but limited, and we think they'd benefit from further progression.*

FE college

## Single parents

Just over half of providers who submitted data (17) expect to fund unemployed learners who are lone parents claiming benefits other than JSA or ESA (WRAG); almost half of these could predict how many lone parents they were expecting to fund, with average learner predictions of 485. Unemployed single parents and young parents were supported in various ways by providers. Providers recognised the need to set a longer term strategy for their journey to the labour market depending on their individual circumstances and childcare responsibilities. In many cases where provision is specifically designed for parents, the priority is to support these learners with the prospect and realities of caring for a child.

### ***Nature of provision and delivery***

There is no requirement for providers to record whether or not a learner is a single parent, meaning that there will be many such learners on a wide range of provision within providers. A small number of providers do offer specific provision for unemployed single parents or young parents, often related to general support needs, as well as employment.

One voluntary sector provider in particular ran programmes specifically for young parents funded through the 19-24 NEET additional funding. The provision focuses on the practicalities of parenting on a day to day basis, but also includes aspects to develop employment skills in the longer term.

*The ones we work quite a lot with are the young parents, you know, who would not be on active job seeking benefits, but who we're trying to get on the path back to work, albeit a longer path. It's probably those people who are perhaps on disability benefits or income benefits related to the fact that, you know, they've got childcare responsibilities and so on and so forth.*

Voluntary sector training organisation

The provision is delivered in small groups or on a one to one basis and there is often flexibility around the number of units delivered and whether provision is accredited or not. The provider also described engaging with young mothers over a period of time and providing support both before and after the birth of their child. Their learners fit both into the adult learning cohort as well as younger learners who receive funding from the YPLA.

In several cases, providers are working with partner organisations to engage single parents, one training organisation through a Children's Centre, another college by working in partnership with museums to develop a curriculum that is accessible to lone parents.

*We've been working with [local] museums to provide an engagement curriculum that's more geared towards lone parents and the hours that they can attend, because obviously it's under the 16 hour rule but we're trying to make it more friendly if they've got a child who's already in school, so they have to go and collect the child from school, et cetera. So we do have courses that cater for the needs of those individuals as well.*

FE college

Two providers acknowledged that they ran into difficulties in providing continued support due to a lack of funding: "We were working with them a year or two ago but we ran out of money to do it." The need for flexibility in study hours and approach can increase costs and administrative burdens for providers. To help tackle this one college described its childcare facilities for parents with younger children to enable them to focus on their programme. While this is useful while undertaking study, if parents are seeking employment, childcare costs may become prohibitive and outweigh the benefits of starting low paid work.

## Offenders / ex-offenders

Offenders and ex-offenders are a unique cohort and, like unemployed people generally, are diverse and difficult to categorise. This group is disproportionately disadvantaged in relation to education and learning. Looking at the prison population specifically, more than half of male prisoners and more than two-thirds of female prisoners have no qualifications at all. Almost half of male prisoners were excluded from school, suggesting difficult early experiences of education.<sup>18</sup>

The Skills Funding Agency undertakes to fully fund offender learning in prison through the Offenders Learning and Skills Service (OLASS). However, for those serving their sentence in the community or on temporary release to study with mainstream colleges and training organisations, no variations on eligibility apply for offenders and they must meet the same requirements as other learners to be eligible for funding.<sup>19</sup> This means that for mainstream provision, providers routinely do not record whether or not a learner is an offender, and often offenders are absorbed on to mainstream programmes alongside other types of

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<sup>18</sup> Prisoners Education Trust, *Response to DIUS Consultation on Informal Adult Learning*, (May 2008), available online at

[http://www.prisonerseducation.org.uk/fileadmin/user\\_upload/doc/Learning\\_Matters/DIUS\\_Consultation\\_Inf\\_Adult\\_Learning\\_June\\_08\\_Final.pdf](http://www.prisonerseducation.org.uk/fileadmin/user_upload/doc/Learning_Matters/DIUS_Consultation_Inf_Adult_Learning_June_08_Final.pdf), pp.1-2.

<sup>19</sup> Skills Funding Agency, *Learner Eligibility and Contribution Rules 2011/12*, Version 2.1, p. 21.

learner. Therefore, providers we interviewed had varying degrees of experience with offenders. Indeed only 10 providers reported they were funding offenders serving their sentence in the community, and only four could give numbers for this.

Few explicitly worked with offenders and provided specific provision for these groups, while others are working towards building discrete programmes. The majority of providers simply take on ex-offenders or offenders serving their sentence in the community into their mainstream provision. Even those providers that do substantial work with offenders cannot necessarily track whether offenders or ex-offenders in the community are registering for their mainstream provision.

*A lot of our people on JSA will have been in prison at some stage, but we wouldn't know. ...I'd imagine it would be much more of a problem in the sector as a whole than it perhaps is with ourselves, to be able to track and record ex-offenders, but we don't really do it systematically.*

FE college

There is some confusion over the eligibility status of offenders serving custodial sentences. A private provider was planning to deliver pre-employment training within prisons, maintaining that those in prison are classed as unemployed and therefore are eligible for funding. However, other providers disagreed with this assessment. For example a college was aiming to run a bespoke college certificate including team building and art and design for prison inmates, but had to assess the funding situation for a fully accredited version as they believed offenders are not eligible for full funding.

### ***Nature of provision and delivery***

Providers described various approaches to working with offenders and working in partnership to address the specific needs of this group. One college had set up a social enterprise employment organisation with partners to work directly with local probation services. Another example was a college offering provision through the Adult Skills Budget tailored for people living in probation hostels. This focused on becoming education ready by means of taster courses and careers advice and guidance. In this case the offenders are treated as a separate cohort, although the college also has offenders on its mainstream programmes. Another college was offering discrete workplace skills provision for offenders in the community, as well as delivering to offenders released on temporary licence to study at the college.

Similar to other disadvantaged groups, voluntary and community sector organisations may be better prepared to meet the needs of offenders than more mainstream FE providers. A voluntary sector provider worked closely with the Probation Service, which referred learners with an offending background for learning provision. In this instance the provider used ASB and community learning money to fund offender programmes. By the time of the second interview, the provider had set up additional job clubs for offenders, currently unaccredited and funded through Adult Skill Budget and Community Learning budgets. The provider intends next year to explore using accredited units and then extending the probation client job clubs out to other unemployed people.

The Probation Service was emphasised as being crucial for securing buy in to learning. Where providers were working with Probation Services, relationships appeared to be

progressing successfully. The Probation Service's referrals are a key way of accessing offender learners. The Probation Service also takes on some responsibility for sourcing employment for its clients and sourcing mentors to provide more individualised support.

Where providers were working with offenders, the examples of provision were diverse and included basic skills, vocational skills, work experience, employability skills and other qualifications.

*Things like preparing to do the theory test for driving, CSCS cards, doing a CV. We run a drop in facility where people come in and do their CVs and that sort of thing.*

Voluntary sector training organisation

Informal learning, mentoring and personal development is also very highly valued by offenders and ex-offenders.<sup>20</sup> As with other disadvantaged groups, shorter, non-accredited provision can build confidence and begin engaging people who may have previously disengaged from learning and education. Non-accredited provision avoids the risk of achieving low qualification success rates due to learner attrition.

*We're still doing quite a lot of non-accredited work in that area, because of the problems of "stickability". ... They tend to be short, episodic things... There's a possibility of getting accreditation with some of them, but we tend to be a bit cautious.*

Voluntary sector training organisation

Research suggests that offenders also share many characteristics of other alienated and disadvantaged groups, often with chaotic lifestyles, mental health problems, addictions, poverty, and other challenges.<sup>21</sup> Some offence categories can make employment very unlikely, meaning that providers may need to work intensively with employers to source appropriate vacancies. Similarly, offenders' ability to join some types of vocational course, such as childcare, teaching or nursing, may be limited by certain offence categories. A voluntary sector provider summarised what he felt could be some of the key issues in work with ex-offenders or probation clients:

*Chaotic lifestyles, drug use, homelessness or insecure homes, personal attitudes, motivation, disinclination to work, mental health issues, and quite often all of them in one person, in extreme cases.*

Voluntary sector training organisation

One of the key challenges for offenders is finding suitable employment opportunities and an employer who will employ them. Two providers emphasised, however, that some open-minded employers are willing to consider taking on an ex-offender and that an offending background was not necessarily a barrier to employment. It was a case of the provider making a sound judgement about which employers to approach.

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<sup>20</sup> PET, *Response to DIUS Consultation*, p.2.

<sup>21</sup> PET, *Response to DIUS Consultation*, p.2.

*So long as you're explicitly clear with the employer that we may send offenders amongst the people who you are going to be interviewing, generally more enlightened employers are OK. There are obviously some environments that are completely unsuitable...you avoid financial services and jobs involved with vulnerable people.*

Training organisation

Rather than obtaining work, the large private training organisation felt that the greater challenge for offenders was sustainment in work, which therefore warranted additional support from providers post-employment. Currently this additional support is not directly funded and in this case was offered through third sector partners.

All providers that engage with this learner cohort are aware that a single educational intervention is often far from sufficient to support progression back into the community and/or employment. In many cases offenders have many personal issues to overcome whilst participating in their formal learning intervention and they require a long term programme of support. This may require the use of Additional Learning Support or other funds, and two providers suggested that offenders should receive a higher funding rate under the Adult Skills Budget to recognise extra costs.

### ***Linking training pre and post release***

The Department for Business, Innovation and Skills and the Ministry of Justice jointly published *Making Prisons Work: Skills for Rehabilitation*, a Review of Offender Learning, in May 2011. The review emphasises the importance of enabling offenders to have the skills that will make them attractive to employers, in order that they can find and keep jobs on release or while serving a community sentence.<sup>22</sup> The review also highlights the lost opportunity presented by lack of follow through between learning inside prisons and work or further training on release.<sup>23</sup>

Feedback from providers suggests this is still a challenge for many. While OLASS provision in prisons is fully funded, sentence length may impact on how much learning an offender can complete and access to learning materials varies from prison to prison. Once offenders are released or serving sentences in the community, training providers find it difficult to identify offenders and link training to previous OLASS experience.

We spoke to a small number of providers that delivered OLASS, either directly contracted or as subcontractors. One college in particular had a very large OLASS contract involving delivery to many thousands of learners in prison. This college also raised the difficulty of linking OLASS to provision post-release where contact is lost with an individual.

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<sup>22</sup> Department for Business, Innovation and Skills, Ministry of Justice, *Making Prisons Work: Skills for Rehabilitation*, Review of Offender Learning, (May 2011), available online at <http://bis.gov.uk/assets/biscore/further-education-skills/docs/m/11-828-making-prisons-work-skills-for-rehabilitation.pdf> [Accessed November 2011], p.5.

<sup>23</sup> Department for Business, Innovation and Skills, Ministry of Justice, *Making Prisons Work: Skills for Rehabilitation*, Review of Offender Learning, (May 2011), available online at <http://bis.gov.uk/assets/biscore/further-education-skills/docs/m/11-828-making-prisons-work-skills-for-rehabilitation.pdf> [Accessed November 2011], p.5.

*If they're resettled in [our city], it's difficult to pick them back up again. ...If we could keep that contact and try to keep them in the education role, it could have an impact in terms of people not [re-offending]....We try to marry the two together, so it enables a seamless transition from prison into [the city].*

FE college

The provider also emphasised that the Probation Service can act as a conduit for linking provision pre and post release, but that by the time learners are referred through Probation to a provider the momentum to continue learning may already have been lost. The provider explained that an ideal situation would be to know where an individual was likely to be resettled and to be able to prepare a job vacancy or training for them to be ready on release. This will only work if there is collaboration by all parties involved:

*By the time they get to probation we've lost some momentum really in terms of trying to keep them engaged. ...I just think it might be worth us trying to see if we could collaborate better - the OLASS team in prison, the team that are going to receive people in college, and the Probation Service.*

FE college

One provider specialising in offender education was concerned about the level of employability courses offenders can access once released and are no longer eligible for OLASS provision. As only around 1 per cent of OLASS provision is above Level 2, this provider was concerned that offenders over the age of 24 are not eligible for funding for Level 3 qualifications and above. This provider felt that FE providers should set aside a proportion of their budget for offenders serving sentences in the community or who have completed their sentences, who are “doubly disadvantaged”, as they may be unemployed and on a low income, as well as having the stigma and disruption of having served a custodial sentence. This provider also felt that FE providers often do not use the flexibilities they already have to cater for ex-offenders, including not registering whether or not a learner is an offender or ex-offender. This reinforces points made by other providers that it is important to join up provision both with Probation Trusts and with OLASS providers.

## Homeless learners

Research from 2006 suggests that 60% of homeless people have low or no qualifications, almost twice the rate of the adult population, having a severe impact on their ability to enter employment.<sup>24</sup> The same research suggests one-fifth of homeless people participated in a training or educational activity, with older homeless people and those who have been homeless for over three years less likely to participate.<sup>25</sup> Over half of homeless people want to take part in training or educational activities, and find courses linked to jobs. Indeed, according to the research, one in five homeless people who studied got a job

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<sup>24</sup> Opinion Leader Research and Crisis, *Homeless People and Learning and Skills – participation, barriers and progression*, (2006), available online at [www.crisis.org.uk/data/files/publications/Homeless%20people%20and%20learning%20and%20skills\[1\].pdf](http://www.crisis.org.uk/data/files/publications/Homeless%20people%20and%20learning%20and%20skills[1].pdf), p. 3.

<sup>25</sup> Opinion Leader Research and Crisis, *Homeless People and Learning and Skills*, p. 3.

after participating in education.<sup>26</sup> Despite this, other research suggests only 2 per cent of homeless people are in full-time employment and 57 per cent have been unemployed for three years or more.<sup>27</sup>

Training and education is therefore particularly important for homeless people, helping to build skills and confidence towards employment and other personal development goals, such as overcoming drug or alcohol problems.<sup>28</sup> Gaining new skills and confidence can also help learners secure or sustain housing tenancies and use public services more effectively.<sup>29</sup> Even training that does not lead to employment can be economically valuable if it helps a homeless person improve their circumstances, given the estimated cost of homelessness is between £9000 and £48,000 per person, per year.<sup>30</sup>

### ***Nature of provision and delivery***

As with other disadvantaged groups, homeless learners have specific and complex needs, many with negative experiences of education and learning, meaning that educational programmes need to be highly flexible and may need to provide additional support beyond skills provision. Where provision is specific to homeless learners, this is often short, informal provision to act as a reintroduction to learning, potentially funded through Community Learning funds. However, particularly in colleges, homeless learners are not necessarily put on distinct programmes of learning, but may have access to additional support elements through the provider. Therefore, although homeless learners may be accessing pre-employment training through the Adult Skills Budget, this is not usually targeted at homeless learners as a group and is often not recorded separately by providers from other provision for unemployed learners.

By its nature, homelessness also means a lack of stability in living arrangements, which can be a major impediment to learning and employment. We found that providers of all types will aim to tackle or mitigate a learner's homelessness itself, before addressing skills needs. In one example, a voluntary sector provider explained that much of its work with homeless learners involved learning to help secure and maintain tenancy agreements on housing. This was not funded through the Adult Skills Budget and was not focused on securing employment, as homeless learners' need for accommodation is felt to be more urgent than employment. Without accommodation, the provider felt these learners have no chance of achieving employment.

*We work with a project where the learning has been around securing and then maintaining tenancy agreements on housing. So going through not just the technical things about what you're responsible for, but behaviour that's expected, being clean from drugs, all those kind of health awareness things.*

<sup>26</sup> Opinion Leader Research, *Homeless People and Learning and Skills*, p.4.

<sup>27</sup> OSW, *No Home, No Job*, (2005), cited in Crisis, *Response to Skills for Sustainable Growth*, (2010), [www.crisis.org.uk/data/files/publications/Skills%20for%20Growth%20consultation%20response.pdf](http://www.crisis.org.uk/data/files/publications/Skills%20for%20Growth%20consultation%20response.pdf), p.1.

<sup>28</sup> See also Jane Luby and Jackie Gallagher (2009) *Unlocking Potential, Transforming Lives: An evaluation of Crisis SmartSkills, a personalised accredited learning programme*, Crisis, available online at [www.crisis.org.uk/data/files/publications/Crisis%20Smart%20Skills%20Report.pdf](http://www.crisis.org.uk/data/files/publications/Crisis%20Smart%20Skills%20Report.pdf) and St Mungo's (2010) *Work Matters*, both cited in Crisis, *Response to New Challenges*.

<sup>29</sup> Crisis, *Response to Skills for Sustainable Growth*, (2010), [www.crisis.org.uk/data/files/publications/Skills%20for%20Growth%20consultation%20response.pdf](http://www.crisis.org.uk/data/files/publications/Skills%20for%20Growth%20consultation%20response.pdf), p.1.

<sup>30</sup> cited in Crisis, *Response to Skills for Sustainable Growth*, (2010), [www.crisis.org.uk/data/files/publications/Skills%20for%20Growth%20consultation%20response.pdf](http://www.crisis.org.uk/data/files/publications/Skills%20for%20Growth%20consultation%20response.pdf), p.6.

*Then you can start to do proper learning around numeracy, literacy and get them off into economic activity.*

Voluntary sector training organisation

Several colleges explained that they worked with third sector providers or local authorities to offer additional support to homeless learners or learners in danger of becoming homeless, including offering hostel accommodation. Colleges' advice and guidance staff are also available to provide support to learners in danger of becoming homeless. For colleges too, it was seen as necessary to address a learner's homelessness as a precondition for being able to seek and maintain employment, and working with voluntary sector organisations is seen as being the best way for colleges to respond to this.

*When we think that an existing student is in danger of becoming homeless, we do what we can to work with other agencies and have done some work with various homeless organisations where we've put on taster courses - often around functioning and being able to manage the situation and find ways out of the situation.*

FE college

One college reported that referrals to local charitable and voluntary hostels were becoming more restricted as a result of reductions in funding in this sector. This had resulted in examples where the college had paid for a learner to be housed over a weekend because the local authority offices were only available in the working week.

Voluntary and community providers play an important role in delivering training to homeless people and have the highest satisfaction ratings from homeless people. Research by Crisis suggested that, in comparison to mainstream providers such as FE colleges, homeless people see voluntary providers as having awareness of the range of needs of homeless people, supportive and understanding staff and more suitable learning environments and courses, such as informal and flexible provision.<sup>31</sup> Crisis states that *'Mainstream adult education programmes are often too inflexible and not relevant for people who have specific and complex needs and may have previously had negative experiences of formal education. Too often they are focussed on employment related and level 2 and above qualifications, rather than soft skills such as confidence, time keeping and teamwork'*.<sup>32</sup> NIACE has also emphasised the value of voluntary and community-based providers, given that their research suggests that some colleges and other providers can seem remote and inaccessible to homeless people.<sup>33</sup>

Our interviews also revealed that many colleges had little awareness or experience of working with homeless learners in particular. Large private training organisations also tend not to specialise in provision for homeless learners. One such provider, for example, does record data on homeless learners, but currently offers no specific provision to this group and instead uses the data to flag up learner safeguarding issues and the impact that

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<sup>31</sup> Crisis, *Homeless People and Learning and Skills – participation, barriers and progression*, (2006), p.3.

<sup>32</sup> Crisis, *Response to Skills for Sustainable Growth*, (2010), [www.crisis.org.uk/data/files/publications/Skills%20for%20Growth%20consultation%20response.pdf](http://www.crisis.org.uk/data/files/publications/Skills%20for%20Growth%20consultation%20response.pdf), p.1.

<sup>33</sup> NIACE, *Social value of adult learning for community empowerment*, (2011).



homelessness may have on a learner's ability to participate in provision. Most colleges did not systematically record learner homelessness and acknowledged this was an area that could be focused on more than it is presently.

*So what we don't do, and probably we ought to do, is to actually record how we support them when they identify themselves in those circumstances [of being homeless]. It's probably something that we ought to do really.*

FE college

Because many colleges are less suited to delivering provision specifically tailored for homeless people, several prefer to work in partnership with voluntary sector providers or Local Authorities. One college explained that they recognise that there are learning needs of offenders or homeless in their locality but work with partners who are more equipped to deliver specific support.

*Rather than try and work with them directly in the college setting or even a community setting, what we do is tend to work in partnership and collaborate - collaboration is our route really to dealing with that kind of client base.*

FE college

## Young learners

Rates of youth unemployment have remained stubbornly high and various sources suggest young people have been disproportionately affected by increased unemployment in recent years. Analysis by BIS of quarterly Labour Force Survey statistics reveals that rates for 19-24 year olds not in employment, education or training (NEET) in England show a rising trend since 2008, with the latest available data for the second quarter of 2012 indicating a figure of 778,000, or 18% of the age cohort.<sup>34</sup> The characteristics of non-participating young people are highly diverse, but some groups have a greater likelihood of being unemployed or not in education, including those with low skills, health problems, a disability or low aspirations. For England as a whole, 19-24 year old women show higher rates of NEETs than men (25.2% compared to 18.0%).<sup>35</sup>

In December 2011 the Government published its strategy to maximise the participation of 16-24 year olds in education, training and work.<sup>36</sup> Actions include maximising the number of Apprenticeships available for 18-24 year olds, providing further education and training opportunities focused on the needs of young people and those seeking work, and using the flexibilities in the skills system and the Work Programme to best meet the needs of young people. The strategy also had a priority to put in place a Youth Contract to help

<sup>34</sup> The Data Service, *Young People Not in Education, Employment or Training* (August 2012), [www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr\\_supplementary\\_tables/neet/](http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_supplementary_tables/neet/)

<sup>35</sup> Department for Education, *Supplementary table of NEET 19-24 year olds by gender: ISR25/2011*, (November 2011), [www.education.gov.uk/researchandstatistics/statistics/a00199328/df-neet-statistics-quarterly-brief-quarter-3-2011](http://www.education.gov.uk/researchandstatistics/statistics/a00199328/df-neet-statistics-quarterly-brief-quarter-3-2011)

<sup>36</sup> HM Government, *Building Engagement, Building Futures: Our strategy to maximise the participation of 16-24 year olds in education, training and work*, (December 2011) [www.bis.gov.uk/assets/biscore/further-education-skills/docs/b/11-1452-building-engagement-building-futures-maximise-participation-16-24.pdf](http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/b/11-1452-building-engagement-building-futures-maximise-participation-16-24.pdf)

support young people into employment or education if they have been on Jobseekers Allowance for three months or more.

The majority of providers interviewed reported that they expected to fund unemployed learners with skills lower than Level 2 who were under the age of 25. 16 providers were able to predict how many of these learners they were expecting to fund in 2011/12 with an average prediction of 853 learners. Looking at the ILR data for 2009/10 and 2010/11 shows that the number of learners (excluding Apprenticeships) under 25 without a prior Level 2 qualification increased from 118,000 in 2009/10 to 131,000 in 2010/11.

### ***Nature of provision and delivery***

A large number of providers did not take different approaches to provision for unemployed young people over the age of 19 from those for older learners, other than being able to offer some additional fee remission for younger learners. Enabling young people to integrate with older learners can help create a richer learning experience:

*College unemployed provision is for all ages and types of learners. There's a need to provide peer to peer support and mix up ages in the provision and learn from one and other.*

FE college

However, as with other learners, younger learners are offered provision most appropriate for their specific needs, which may in practice differ from older learners. For example, compared to older learners, younger people tend to be more proficient in the use of ICT and computers; they may also be more inclined to consider longer programmes of study than older learners.

*We do try to target programmes for particular age groups, so that we can, within that, tailor things and put things in a different way.*

FE college

A smaller number of providers are targeting provision specifically at younger learners. In one case, this included developing independent skills centres specifically for 16 to 24 year olds separate from the main college campus. The college had opened one centre at the start of the academic year and was planning another in a different location for 2012/13. The centres are designed to re-engage learners with education through providing additional support facilities and tailored vocational provision.

Younger learners who did not achieve a Level 2 at school may be disengaged or lack confidence in undertaking further learning. Since the economic downturn it has been particularly difficult for young people with low qualifications to enter employment, which can lead to feelings that finding work is hopeless.

*I think with young learners it's de-motivation actually, in not being able to find work. If you come to the school system, you haven't done that great, and if you've also come to a college and still not done that well, typically you're thinking there isn't anything there for me. That's the biggest hurdle.*

## FE college

In these instances, providers explained that it is essential that their tutors provide helpful information advice and guidance and overall encouragement to the young people about the labour market.

As young people often lack meaningful employment and work experience, some very basic employability skills can be lacking, as explained by one voluntary sector provider. In a few instances this age group struggles with the prospect of attending an interview and making a good first impression. As with other unemployed learners, there were many examples of providers working to source work experience for younger learners to address these problems.

At least three providers we interviewed, one college and two voluntary sector providers, accessed additional funds through the Adult Skills Budget to support 19-24 year olds who are not in education, employment or training (NEET) into employment through a mix of learning support and accredited learning. A flexible approach, combining support and accreditation was felt to be highly appropriate for the diverse and additional needs of these learners. As with other disadvantaged learners, voluntary sector providers felt they were particularly well-placed to cater for the needs of these learners.

## 6. Conclusions and points for consideration

### Pre-employment training for the unemployed

Supporting unemployed learners to find employment through skills interventions will remain an important task for colleges and private training providers, particularly given the current levels of unemployment. Supporting people to find work through skills interventions is also challenging, both because of the overall low number of job vacancies, but also because training is only one aspect of an unemployed person's route employment.

Overall the BIS policy intentions for unemployed learners and increased work with Jobcentre Plus are being realised across the sector, with progress varying among providers. In general the importance of pre-employment training has risen across all types of provider, although there is still variation in the sophistication across the sector. Whilst it is too early to say how the number of unemployed learners has changed since last academic year, providers claimed they are increasingly offering more short and employment focused provision. Some providers have also been far quicker than others in implementing this new provision within the academic year, often because they have had prior experience of delivering pre-employment training. Having the same provision and system available in 2012/13 will allow development of this provision to continue and to become more embedded.

The priority of pre-employment training for the unemployed has risen in importance for all providers in this study; however its relative importance can be low for providers that focus upon Apprenticeships, 16-18 provision or other areas. This diversity in provider mission is positive and yet nearly all providers will need to continue to develop and extend their work to reach greater numbers of unemployed learners, incentivised and supported by the funding and performance management systems. Some providers have developed highly sophisticated provision, support and systems for unemployed learners. However, detailed analysis by Ofsted inspectors suggest that much provision and assessment of learner needs remains underdeveloped.<sup>37</sup> As this area of work remains in its early stages, it is likely to be some time before it is fully developed throughout the sector. Therefore opportunities to promote effective practice and for providers to share approaches that work well in supporting unemployed learners would therefore be beneficial.

Where the development of new provision is linked to specific employers and vacancies, and addresses clear skills needs in the individual, the routes into employment that are available to learners can be very straightforward. It is important for providers to work closely with Jobcentre Plus advisers to assess and advise on where and what skills provision is the most appropriate intervention for unemployed people. Although generally providers are satisfied with the range of units and qualifications available for funding, some suggest that licences to practice and certain additional aspects of unaccredited provision

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<sup>37</sup> Ofsted, *Skills for Employment: The impact of skills programmes for adults on achieving sustained employment*, (July 2012).

should be considered for funding in order to give greater local discretion and encourage responsiveness.

Within this research we have found a degree of confusion over the exact funding rules relating to provision for unemployed learners. This highlights the importance of clear, timely, unambiguous guidance from the Skills Funding Agency and a need to respond providers' specific queries to ensure a common understanding of the funding rules.

Although links with Jobcentre Plus have increased substantially and learner referrals are increasing for most providers, there are still areas of misunderstanding between providers and Jobcentre Plus advisers. Often these are being resolved at a local level as the academic year progresses. However, additional guidance and clarification on the availability of provision and how to access it, targeted at DWP and Jobcentre Plus staff would be beneficial.

## Capacity funding

Adult Skills Budget capacity funding had been used by all of the colleges and private training providers that we consulted to increase their ability to respond to the needs of unemployed learners. As the capacity funding made available was proportionate to the contract held between the provider and the Skills Funding Agency the level of investment that providers have had available to use in a discretionary way has varied considerably. Overall however the availability of capacity funding that was not linked to performance outcomes was welcomed by all providers. Given the discretion that the funding changes enable providers to have in how they use the funding that is available to them then it is perhaps unsurprising that some investments will be more sustainable than others. Although most providers had made some efforts to develop job outcome tracking systems, only a small minority were able to demonstrate this working successfully and a variety of different models were in use.

## Job Outcome Payments

The majority of providers are satisfied that the system of Job Outcome Payments will be effective for compensating providers for learners who enter employment before completing a unit or qualification. However it is not yet clear what effects this will have on providers' behaviour. It partially removes one disincentive for working with unemployed learners closer to the labour market, yet as many providers will continue to work to maximise successful qualification and unit completions, the impact on behaviour may prove to be limited. More specific guidance on how data should be collected and exact rules relating to how to treat part-time and temporary work outcomes should also be given.

Currently the Job Outcome Payments do not recognise the level of success a provider achieves at supporting unemployed learners into work where a qualification is completed. However, as Ofsted has suggested it will routinely evaluate providers' data on job

outcomes for those claiming JSA or ESA (WRAG),<sup>38</sup> this is likely to act as an alternative incentive to record this data and improve outcomes.

Although a number of providers suggested that Job Outcome Payments should account for the quality, sustainability and training associated with a job, we suggest this would overly complicate the funding system and may be better considered through, for example, Ofsted.

## Disadvantaged learners

The discretionary approach to funding unemployed learners on non-work related benefits is welcomed by providers and has helped them to continue to support disadvantaged people who are seeking employment. In practical terms disadvantaged learners with low skills and other barriers to work, as well as those claiming benefits, can be found on a range of different provision and providers do not necessarily distinguish them from other learner groups.

Work with disadvantaged learners invariably involves catering for additional support and other needs, as well as the provision of the learning intervention. Informal, unaccredited learning was also highlighted as important as a way to re-engage disadvantaged groups. Currently these needs are funded outside of the Adult Skills Budget, and the review of the Community Learning Budget should provide greater scope for locally determined provision which appears to satisfy most providers' needs. For offenders in particular, once released or serving sentences in the community, training providers find it difficult to identify offenders and link training to previous OLASS experience. There should therefore be better ways to link OLASS provision to provision delivered in the community.

The requirement for learners to certify they are undertaking training as a route to employment may preclude those who are unlikely to work in the foreseeable future from accessing this pre-employment provision. This emphasises the importance both for policy and providers of pooling and linking resources from different sources for learners with different needs or circumstances, jointly creating a joined up offer in any given locality. For example, using Community Learning funds or charities where learners are unlikely to seek employment. This is important because benefits of learning can extend beyond purely employment outcomes. Currently funding for those unlikely to work may be sourced through other routes, but ways to recognise non-employment related training through the Adult Skills Budget could be considered, particularly for the most disadvantaged.

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<sup>38</sup> Ofsted, *Skills for Employment*, p. 8.

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